



P6 CONVEYANCING End of monopoly FOR SALE

P9 Way down yonder in old New Orleans

P14 Prodigy at an awkward age POLITICS TODAY The shadow of Macmillan

P5 Adam in the USM garden

P11 What the well dressed bride is wearing

Strike looms over GCHQ union ban

Civil Service union leaders are under heavy pressure from activist members to call a one-day strike over the proposed ban on unions at the Government Communications Headquarters in Cheltenham.

A day of protest is planned for February 23, two days before the ban is due to take effect, and union activists in many parts of the country are already making plans for strike action.

The unions have submitted a draft no-disruption agreement for Mrs Thatcher's consideration over the weekend. Page 4

Heathrow robber jailed Security officer Anthony Black, 31, was jailed for six years for his part in the £26m bullion robbery at a Brink's-Mat warehouse near Heathrow Airport last November.

Troops to clear roads The French Government said it would use troops to clear the country's main roads which have been blocked by angry lorry drivers reacting to a customs-officials dispute.

Rome desanctified Catholicism's role as the state religion of Italy and Rome's status as a sacred city will end today when Italy and the Vatican sign a new concordat on church-state relations.

U.S. envoy resigns Richard Stone, President Ronald Reagan's special ambassador to Central America, resigned following disputes with Lagomarcino Mouton, Assistant Secretary of State for Inter-American Affairs. Page 2

Briton killed in Beirut The Foreign Office disclosed that a British resident of West Beirut was killed in his home during shelling on February 6, but would not name him.

Boy in mercy flight Eleven-year-old Kevin Philbin, who lost four fingers in an accident, was flown from Saudi Arabia to London by British Airways' Trident in the hope that surgeons at Stoke Mandeville Hospital could sew them back on.

Drugs inquiry ordered Health Minister Kenneth Clarke ordered an investigation into reports that doctors were still prescribing drugs withdrawn from the market for safety reasons.

KAL grounds pilots Korean Air Lines has shifted at least 10 veteran pilots to ground duties as part of a shake-up prompted by the Soviet shooting down of an errant KAL jumbo jet last September.

Winter trial for Nato About 25,000 Nato troops from eight nations will hold an exercise in Norway next month to test their ability to work in winter.

Crisp with a prickle Hedgehog-flavoured crisps, the brainchild of Welshman publisher Phil Lewis, went into full-scale production at a Newport, Wales, crisp factory.

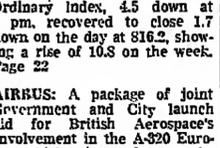
AT & T bid for Inmos rejected

INMOS, state-backed microchip manufacturer, rejected the takeover bid made two weeks ago by American Telephone & Telegraph, the largest U.S. telecommunications company.

AT & T's £45m offer for most of the 75 per cent of Inmos owned by the British Technology Group was considered far too low by both the Government and the company. Back Page

STERLING gained 55 points to \$1.4305, and firmed against other major currencies. Its trade-weighted index rose from \$2.1 to \$2.5, its best level of the year. Page 19

EQUITIES had a lacklustre session, affected by Wall Street's further disappointing overnight performance. The FT Industrial



Ordinary Index, 4.5 down at 2 pm, recovered to close 1.7 down on the day at 816.2, showing a rise of 10.8 on the week. Page 22

AIRBUS: A package of joint Government and City launch for British Aerospace's involvement in the A-320 European Airbus is nearing completion. Back Page

U.S. ECONOMY grew at an annual rate of 4.9 per cent in the last quarter of 1983, slightly above an earlier estimate of 4.5 per cent, the Commerce Department said. Page 2

ABORIGINES laid claim to a share of all mining royalties from Western Australia's Kimberley region, including those from the A\$450m (£288m) Argyle diamond venture. Page 2

CIVIL SERVICE union leaders approved a four-year new technology agreement with the Inland Revenue which promises to break new ground in flexible working arrangements. Back Page

JAGUAR: Government is expected to make a decision by the end of next week on how BL's luxury car company should be returned to the private sector. Page 3

REUTERS appointed stockbrokers Cazeneuve and Company and Hoare Govett jointly to handle the £1bn to £1.5bn flotation of its shares.

BANKAMERICA, the second largest U.S. banking group, signed an agreement with a major U.S. insurer enabling the bank's customers to buy insurance products at its branches. Page 2

FORSHAVS Burtonwood, brewer, made a £9.4m cash bid for Border Breweries in an attempt to block talks between Border and an unnamed potential bidder. Page 16

Changes gather pace in financial markets

LONDON'S financial services revolution gathered pace yesterday with the announcement of two deals.

National Westminster Bank, one of the big four clearing banks, said last night that it plans a link with Bigsof, Bishop, the Stock Exchange's fifth largest stockbroker or market maker.

Mercantile House Holdings, the international financial services group, is to acquire Alexanders Discount, one of the top five discount houses—intermediaries between the Bank of England and the banking system—in the City, for £25m.

NatWest is the first of the big four to take advantage of the upheaval in the London securities market. Alexanders is the first discount house to have concluded a merger.

The changes now under way were triggered by proposals to allow greater competition in the Stock Market which were agreed with the Government last summer.

NatWest and Bigsof, Bishop said last night discussions had "been held between the two parties which, subject to the consent of the Stock Exchange

SHAKE-UP IN THE CITY Stakes bought in Stock Exchange firms

- June 1982 Security Pacific-Hoare Govett. £8m
Nov 1982 RIT & Northern-Kitcat & Aitken. £52,000
Nov 1983 Citicorp-Wickers da Costa. £20m
Nov 1983 Mercury Securities-Akroyd & Smithers. £41m
Dec 1983 N. M. Rothschild-Smith Bros. £6.5m
Jan 1984 Charter Consolidated-Rowe & Pitman. £16.2m
Feb 1984 NatWest Bank to link with Bigsof Bishop. —

Other alliances: Nov 1983 RIT & Northern merges with Charterhouse Grp. £400m
Dec 1983 Prudential-Bache Securities in joint venture stockbroking firm with former executives of James Capel. Prudential-Bache to hold 29.9 per cent in new firm. Rowe & Pitman forms joint international dealing company with Akroyd & Smithers.
Feb 1984 Mercantile House agrees to take over Alexanders Discount. £29m

Council and certain other conditions will lead to proposals being put to the shareholders of Bigsof, Bishop with a view to NatWest acquiring a substantial interest in the equity of Bigsof.

Mr Ed Puxley, chairman and joint managing director of Bigsof, Bishop, said the move was "one step of our master plan to turn ourselves into an investment banking style operation."

"Over the last few months we have talked to a number of people but the list has thinned down. We have been in solid negotiation with NatWest for the last three weeks. In the first instance they approached us."

Continued on Back Page Lex, Back Page

Bill to end solicitors' conveyancing monopoly

THE GOVERNMENT is to introduce legislation in the autumn to allow building societies, banks and non-solicitors to carry out conveyancing work, ending the 180-year-old solicitors' monopoly. It will also set up two inquiries into simplifying house purchase.

The announcement yesterday prompted Mr Austin Mitchell, Labour MP for Grimsby, to withdraw his Housebuyers Bill, which was backed by MPs of all parties and would have ended the solicitors' monopoly.

The Government Bill should be on the statute book by the summer of next year.

According to the Consumers Association, which had backed Mr Mitchell's bill, conveyancing charges—at present about 1 per cent of the house purchase price, or £300 on a £30,000 house—could drop by about a third.

As a first step toward simplification, the Government is to speed the extension of land registration. Additional man-

power will be employed in the land registry so that compulsory registration will cover areas housing at least 85 per cent of the population by 1987, compared with the present 73 per cent.

In those areas all house sales are registered centrally, and the ownership guaranteed in the event of a future sale. This much reduces the amount of work solicitors need to do.

The Government will also shortly publish a consultative document on avoiding the conflicts of interest when solicitors employed by banks, building societies and other organisations carry out conveyancing.

In addition, it is to talk with the Law Society on amendments to the solicitors practice rules to enable them to advertise conveyancing services and thus increase competition.

The Law Society said it still strongly opposed proposals for banks and building societies to undertake conveyancing for their customers. This would

involve a dangerous conflict of interest and loss of impartiality. The Building Societies Association welcomed the development and said it saw no conflict of interest.

The first committee of inquiry, chaired by Professor Harry Street, Professor of Law at Manchester University, will consider what tests of competence are necessary to ensure this freelance conveyancers had adequate skill, and report on this by September.

It will also examine the scope for simplifying conveyancing practice and procedure and any other matters concerning a better system of house purchase, with its report on this due by December.

Iran claims 1,100 Iraqi troops killed

IRAN CLAIMED yesterday that it had killed another 1,100 Iraqi troops in a second day of fighting in the Gulf war.

In Washington a senior U.S. official said a World War I style battle appeared to be shaping up with up to 500,000 opposing troops ranged along the 100-mile battlefield in the central sector of the 730-mile border.

U.S. officials said they expected a rolling offensive to develop over the next few days. They predicted that the main Iranian thrust into Iraq was yet to be launched.

"What is happening at the moment is just the opening stage. There is a lot more to come and it is going to be very big," they said.

If Iran maintains the military pressure as expected, U.S. officials said yesterday they believed President Saddam Hussein of Iraq would retaliate by attacking Iran's oil export routes.

They predict that this would come either by trying to sink oil-tankers or by launching missile and air raids on the export terminal at Kharg Island.

Senior U.S. diplomats who visited Baghdad recently left with the conviction that pressures from within the regime would ensure that President Hussein carried out his threat to use all the weapons at Iraq's disposal if Iran launched a further offensive.

The U.S. has said it would maintain freedom of navigation through the Strait of Hormuz, through which nearly a fifth of the non-Communist world's oil passes, if Iran carried out its often-repeated threat to close the waterway.

Most of yesterday's fighting appeared to concentrate on the region west of Mehran and south east of Baghdad. Tehran Radio said a three-hour Iraqi counter-attack had been beaten back, leaving 1,100 Iraqis dead after fierce hand-to-hand combat.

Iran said it had later taken complete control of the high ground south of Mehran inside Iraqi territory. Radio reports claimed later than Iranian troops had captured an 11-mile

Continued on Back Page

Syria takes hardline stance on peace plan

SYRIA last night rejected Saudi Arabia's eight-point peace plan for Lebanon and may demand further concessions from President Amin Gemayel in Beirut.

Mr Abdul Halim Khaddam, the Syrian Foreign Minister, said that the proposals, which he claimed were put forward by President Gemayel, contradicted the agreements reached during the November conference in Geneva of all the Lebanese factions.

Mr Khaddam was speaking after welcoming Prince Saud al-Faisal, the Saudi Foreign Minister, to Damascus. U.S. officials said on Thursday that President Gemayel had sent his Foreign Minister to Riyadh carrying ideas from President Gemayel on how to solve the Lebanese crisis," he said.

"These ideas, attributed to Amin Gemayel, are contradictory to what has been agreed at Geneva. How can a Lebanese assert his Arab identity when the Israeli enemy and Syria are put on the same footing in his country?" he asked.

Druze militiamen, who earlier this week routed the 4th Brigade of the Lebanese Army south of Beirut, are poised to attack the government garrison on the ridge overlooking the capital if there is no diplomatic breakthrough.

Souk al-Gharb managed to withstand a Druze assault last year, but only with the assistance of U.S. naval gunfire. However, there was little support for the Army during the Druze advances this week and diplomats in Beirut believe that the U.S. has in effect abandoned President Gemayel.

President Ronald Reagan yesterday formally approved a 30-day timetable for the transfer of 1,300 U.S. marines to the warships offshore. A maximum of 500 will remain to guard the U.S. Embassy and ambassador's residence. The withdrawal will begin this weekend.

The U.S. ambassador's residence is close to the presidential palace where army gunners yesterday traded occasional fire with Druze militias in the hills above.

Mr Yitzhak Shamir, the Israeli Prime Minister, said yesterday that he would reject Lebanon's abrogation of the May 17 pact and officials warned that Israel would never rely on United Nations troops to guard its northern border.

Syria emerges the clear victor in Lebanon, Page 2

MARKETS DOLLAR New York lunchtime DM 2.83175 FF 8.26 SwFr 2.195 Y233.1 London DM 2.8815 (2.876) FF 8.285 (8.24) SwFr 2.184 (2.185) Y233.1 (232.85) Trade weighted 128.7 (128.4) Tokyo close Y232.83 U.S. LUNCHTIME RATES Fed Funds 9 1/4 3-month Treasury Bills 9.14% Long bond 100 yield 11.99 GOLD New York Comex Feb later \$394.6 London \$383.25 (384) Chief price changes yesterday, Back Page

STERLING New York lunchtime \$1.43 London \$1.4505 (1.445) DM 3.8928 (3.87) SwFr 3.158 (3.175) FF 11.97 (11.965) Y338.5 (338.75) Y338.5 (338.75) DM 2.8815 (2.876) FF 8.285 (8.24) SwFr 2.184 (2.185) Y233.1 (232.85) LONDON MONEY 3-month interbank mid rate 9 1/4 (9 1/4) 3-month eligible bills buying rate 8 5/8-6 1/2ths% (same) STOCK INDICES FT Ind Ord 816.2 (-1.7) FTA All Share 491.99 (+0.2) FTA long gilt yield index High coupon 10.22 (10.2) New York lunchtime DJ Ind Av 1,156.51 (+1.57) Tokyo Nikkei Dow 9,925.07 (+27.92)

High demand slows computer delivery

SINCLAIR RESEARCH, the company founded and owned by Sir Clive Sinclair, has been overwhelmed by orders for its new £400 personal computer, the QL.

The company has written to customers warning them that deliveries will not be possible until April or May.

The company has had problems in the past in meeting high initial demand for its products. In November 1982 the Advertising Standards Authority reported that it had received a record number of complaints about Sinclair Research. The main one was that purchasers had to wait 12 weeks for the Spectrum micro computer, which had been advertised as being available in 28 days.

This time Sinclair Research has moved to pre-empt any criticisms from the ASA. Last week it began writing to more than 6,000 people who have ordered the QL, warning them of late delivery and offering to return their money.

The company has attempted to change the wording of advertisements which have been booked, to indicate that supplies will take longer than 28 days to arrive.

The ASA was informed of the problem at the beginning of this week. It received its first complaint from the public about the Sinclair QL on Thursday.

Sinclair Research seems to have been taken by surprise by the demand for the QL, which is more expensive than previous products.

It says production, by Thorn EMI Datacath, is up to date. The QL, Sinclair's first attempt to reach the business market, was launched in mid-January. First deliveries were promised for the end of this month, and the company said this pledge would be honoured.

There is a long waiting list for the Sinclair pocket black-and-white television, which sells at £80. Although this product was launched in September, the first was not delivered until just before Christmas.

The television has not been advertised, but there is an order book of over 7,000. Because of production problems the company has delivered only about 1,000.

The Sinclair Microdrive, a mass memory storage device, has been in short supply. Initially only a limited number of Spectrum owners were given an order form for the product, in a bid to hold back demand.

Up 46.8% in 12 months\*

FIVE dynamic economies in ONE proven investment

The Wardley Far East and General Trust

The vast natural resources of Australia... the bonanza of Malaysia... the commercial acumen of Singapore... the industrial and technological might of Japan. All in one carefully balanced investment spread! Add to this the very considerable advantage of Wardley's on-the-spot investment management expertise in the Far East and you've found an ideal way to share their growth potential. A proven performer In the year from 31.1.83 to 31.1.84 the offer price of the Wardley Far East and General Trust (excluding reinvested income) rose by 46.8%. Now that economic recovery is well under way in the Far East's economies, prospects for long-term growth look excellent. Currently, around half of the Trust is invested in Japan and a quarter in Australia, the remainder is spread between the other three markets and liquid assets. The spread will change from time to time to take advantage of the natural volatility of the Far East's economies.

For more information on The Wardley Far East and General Trust please complete and return the coupon today.

Wardley Unit Trust Managers Limited member, Hongkong Bank Group. Tr: Wardley Unit Trust Managers Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN. Telephone: 01-626 4411. Name: Address: Please send me details of the Wardley Far East and General Trust. Details of the full range of Wardley Trusts.

# Syria emerges a clear victor after Gemayel's defeat

BY PATRICK COCKBURN IN BEIRUT

WHEN President Amin Gemayel reached agreement with Israel last May 17, he denounced Mr. Walid Jumblatt, the Druze leader, for leading a "helicopter opposition." This was a reference to the Syrian helicopter which flew Mr. Jumblatt from his home to Damascus.

This week a senior Druze military commander recalled the jibe and said he would gladly lend the now-beleaguered Lebanese president a helicopter if he wanted to leave the country.

The May 17 agreement, which President Gemayel says he is now prepared to annul, has always remained a dead letter. It was, in effect,

a peace treaty between Lebanon and Israel under which the Israelis would withdraw when the Syrians did so. Syria said it had no intention of pulling back its troops and moved into full opposition to the Gemayel Government.

The significance of the agreement was that it aligned the Gemayel Government with the U.S. and Israel, and its abrogation now signposts a future linking Lebanon with Syria. Christian hopes of an alliance with the U.S. and Israel will have to be abandoned.

The balance of power in Lebanon has changed completely in the last nine

months. When Mr. George Shultz, the U.S. Secretary of State, persuaded President Gemayel to sign the agreement—which has never been ratified—the Lebanese leader thought he had almost unlimited U.S. and Israeli support.

Today Israeli and American support is limited and the army has suffered two heavy defeats. Two-thirds of the capital and most of the country are in the hands of the opposition, and the Druze yesterday were threatening to attack Souq al Gharb, the last remaining Lebanese army stronghold on the ridge line overlooking the capital.

The only hope for Presi-

dent Gemayel seems to be to see if the Syrians will react favourably to the eight-point Saudi peace plan for the region. He has already said he will abrogate the May 17 agreement, but only Syria can get Mr. Jumblatt and Mr. Nahih Berri, the Shia leader, to modify their demands that President Gemayel resign. Indications late yesterday were that Syria had reservations about the Saudi plan.

The plan provides for a ceasefire and measures to maintain it, abrogation of May 17, resumption of national dialogue in Geneva, a national unity cabinet, use of UN peacekeeping troops

to replace the multinational force, and a three-month timetable for Israeli and Syrian troops to withdraw.

Few things are less likely in Lebanon at the moment than a Syrian troop withdrawal, but most of the other proposals could be acceptable to Syria. President Assad, the Syrian leader, knows now that he has won in Lebanon and that President Gemayel and the Christian community are virtually defeated.

But if the Druze or Shia push into the hardcore Christian areas then fighting would reach a new peak of ferocity. Maintaining a weak President Gemayel in power in the presidential palace at Baabda

must seem an attractive option to Damascus.

Central government would be weak and the country frozen into its pre-Israeli invasion political configuration of sectarian mini-states each maintaining its own militia. Syria would become the predominant power as it was in 1976-82.

Ultimately Damascus may accept such a solution but in the immediate future it will have difficulty curbing its allies.

The Moslem leaders may relent a little, but there seems no way President Gemayel will be able to retain more than the symbols of executive authority.

# Lagos and IMF edge closer to accord on economic programme

BY QUENTIN PEEL, AFRICA EDITOR

NIGERIA and the International Monetary Fund appear to have moved closer to agreement on the general principles of an economic stabilisation programme, in return for a loan of up to \$5bn (£2.1bn) after two days of talks in Washington.

Officials close to the talks said yesterday that the Nigerian delegation was "very much interested" in an agreement, and had presented "the broad outlines of policies and measures that could form the basis of a programme" with the Fund.

However, further talks still have to be held on details of the Nigerian programme, and there was no indication yesterday of any agreement on the crucial issue of devaluation of the naira, which has proved a stumbling block in more than nine months of negotiations.

The Nigerian team, led by Dr Onalapo Soleye, the Minister of Finance, met top IMF officials including M. Jacques de Larosiere, the managing director of the Fund, and stressed their desire to reach a deal as soon as possible, the officials said.

They are seeking a three-year standby credit, with a possibility of additional finance from the IMF's compensatory financing facility, to tide them over the effects of the halving of their

oil export revenue in the past three years.

In spite of the positive tone of comment on the talks, they do not seem to have made as much progress as the Nigerians were hoping for.

The exact amount and terms of any IMF credit will only be determined as part of final agreement on the programme. Nigeria's entitlement is for between SDR2.5bn (£1.9bn) and SDR3.2bn over three years, although officials have previously indicated that they were not applying for the full amount.

The IMF has made it clear that the Nigerian Government must simultaneously negotiate an agreement with its major suppliers.

The Fund is also understood to be seeking a devaluation of some 25 per cent of the naira, linked to some liberalisation of import restrictions. The new Nigerian military government has indicated that it might allow a progressive depreciation of the currency, but cannot countenance an outright devaluation.

The Nigerian team was in New York yesterday for talks with U.S. creditor companies and banks, and arrives in London at the weekend for talks on Monday with Mr. Nigel Lawson, the British Chancellor, on the trade arrears.

# U.S. growth rate revised upwards

By Reginald Dale, U.S. Editor, in Washington

THE U.S. economy grew significantly faster than previously thought in the final quarter of last year, the Commerce Department said yesterday.

The department published revised figures putting the annual growth rate from October to December at 9 per cent—up from the 4.5 per cent first reported last month—and the year-on-year increase in the fourth quarter at 8.2 per cent.

The White House welcomed the news as further evidence that "the nation is set on a strong economic course" for the election year of 1984.

It was another sign that the current recovery would put Americans "permanently back to work," said Mr. Larry Speakes, the White House spokesman.

The 4.9 per cent figure for the last quarter compares with expectations of private economists that yesterday's revision would move the growth rate only marginally upwards to 4.6 per cent.

It followed a series of healthy figures reported earlier in the week for retail sales, industrial production, housing starts and personal income, which the White House said, put the recovery on "a strong and smooth course."

# Aborigines claim mineral-rich lands

BY MICHAEL THOMPSON-NOEL IN SYDNEY

A SUBMISSION on behalf of 20,000 Aborigines living in the remote Kimberley region of Western Australia has laid claim to almost total control of the area—plus a share of all mining royalties, including those derived from the A\$450m (£288m) Argyle diamond venture.

The submission, compiled by the Kimberley Land Council (KLC), was handed yesterday to the Aboriginal Land Inquiry Commissioner, Mr. Paul Scanlon QC, who is investigating the land rights issue in Western Australia.

Aborigines already hold freehold title to more than 312,000 sq miles of Australia—a figure that would rise to almost

625,000 sq miles (about 13 per cent of the total) if all claims, current or mooted, were granted.

The Kimberley claim says the State government of Western Australia should hand over 10 per cent of all land tax receipts. It also asks for Aboriginal control of all airspace—so that aerial mining exploration can be monitored—and a share of royalties from oil and mineral exploration, both onshore and off.

Mr. Darryl Kickett, executive officer of the KLC, said yesterday that the Aboriginal owners of the 77,000 sq mile Kimberley region were not attempting to establish an Aboriginal State. But travellers attempting to

visit land worked by Aborigines would need a permit.

As for royalties: "We own all the minerals," claimed Mr. Kickett "so we should get some percentage of the royalties from the Argyle diamond project. We haven't worked out how much we want yet."

By 1984, when annual production is expected to reach 25m carats, Argyle will be the world's biggest diamond mine.

The projected Argyle royalty payable to the state government of which the Aborigines want their share, is between A\$12m and A\$20m a year. For comparison royalties paid to Aborigines in the Northern Territory in 1983-84 will be about A\$18m, including about A\$13m from the uranium mines

at Ranger and Nabarlek. The mining industry claims the land rights movement has hampered exploration and jeopardised development.

But the burden of white guilt over the former persecution of Aborigines is such that the Hawke Labor Government in Canberra has enacted a dogmatic law on land rights legislation, based on five main principles:

Aboriginal land should be held under inalienable freehold title; sacred sites should be protected; Aborigines should control mining on their land; Aborigines should have access to mining royalties; mining groups should negotiate compensation for mining on Aboriginal land.

# C. America envoy quits after dispute

By Reginald Dale, U.S. Editor, in Washington

MR RICHARD STONE, President Ronald Reagan's special ambassador to Central America, has resigned with effect from March 1. Administration officials said yesterday that the decision followed personal and departmental disputes with Mr. Langhorne Motley, Assistant Secretary of State for Inter-American Affairs, rather than any disagreement with Mr. Reagan's Central American policies, which Mr. Stone continued to support.

He is to be replaced by Mr. Harry Sblendeman, former ambassador to Argentina and executive director of the special Kissinger Commission on Central America, the White House said yesterday.

Mr. Stone was appointed last June as a result of pressure from Democrats in Congress for a more active U.S. negotiating role in the region. The White House saw the appointment as a chance to bring the State Department more closely into line with its thinking on Central America—an objective that has subsequently been largely achieved through Mr. Motley.

# Polish elections

The Polish Government yesterday said that local council elections in four years, would begin on June 17. Reuter reports from Warsaw, it would be conducted under a new, more democratic voting system. Parliament passed a law last week which says at least two people must stand for each seat.

# Guerrilla attacks

Maolst "Shining Path" guerrillas killed 13, including two civil guards, in scattered attacks in Peru over the past two days, police said yesterday. Reuter reports. The guerrillas also bombed a guard post in Cajamarca and another in Cerro de Pasco, police said.

# Death squad pledge

El Salvador's Christian Democrat leader, Napoleon Duarte pledged yesterday to crack down on right-wing death squads if he wins the country's presidential elections next month, Reuter reports. Some observers have said victory by Sr. Duarte in the elections could prompt an orgy of death squad killings and a military coup by supporters of right-wing leader Roberto D'Aubuisson.

# Basque protest strike

AN ATTEMPT by the Communist-led Spanish trade union, Workers' Commissions, to stage a general strike in the Basque country, met with only partial success yesterday, writes David White in Bilbao. The strike, in protest against the Government's industrial restructuring plans, was denounced by the Socialist UGT union as a "trial run" for a national general strike.

# Angola plan backed

Mr. Sam Nujoma, leader of the South-West Africa People's Organisation (Swapo) gave a cautious welcome yesterday to the formation of a South African-Angolan joint commission to monitor the "disengagement" of the two countries' forces in southern Angola, writes Michael Holman.

# Philippines opposition divided over election

BY EMILIA TAGAZA IN MANILA

ANOTHER MAJOR conflict in the Philippines' opposition camp has developed. The United Nationalist and Democratic Organisation (Unido) has announced it is to participate in the election set for May, despite other opposition groups' call for an election boycott.

Mr. Salvador Laurel, the Unido president, said that in deciding to field candidates for the National Assembly election, Unido "recognises the importance of the polls in defusing the danger of civil war."

The squabble among legal opposition groups stands in contrast with the magnificent show of unity late last year when they took to the streets to protest the assassination of opposition leader Benigno Aquino.

Mr. Laurel, however, said Unido would reverse its decision if, between now and the election day, President Ferdinand Marcos gives no indication that he will help make the election clean, free and honest.

considerable political advantage from the assembly election scheduled in May. An ailing Mr. Marcos, desperate to reassure foreign creditors of the stability of the Philippines, was being forced to seek some accommodation with the business, civic and religious groups clamouring for reforms.

In early January, it appeared that the notoriously faction-ridden opposition was indeed going to put aside past differences and pursue its opportunity when it convened a "people's congress" and all groups endorsed a position of participation in the election subject to President Marcos meeting a set of six conditions.

# Andalucia president resigns

By David White in Bilbao

SR RAFAEL ESCUREDO, Socialist President of the Andalusia region of southern Spain, yesterday officially announced his resignation to the autonomous regional government after a row with the Socialist leadership in Madrid.

His departure is a considerable embarrassment to Sr. Felipe Gonzalez, the Prime Minister, who rose to power through the Andalusian branch of the party.

Coming after a sudden series of changes involving top officials in the Finance and Interior Ministries in Madrid, it marks the first open breach within the Socialist Party since it formed the government over a year ago.

The row also reflects the difficulties the Socialists have been having with the autonomous communities. Of the four longest-standing autonomous regions, Andalusia is the only one under Socialist control.

The resignation was triggered by proposals for limited land reform in the region. These require the transfer of powers currently held by national agrarian development and conservation bodies.

Sr. Carlos Romero, the Agriculture Minister, said in Seville yesterday that agreement on the transfer was already "tied up" and only needed Cabinet approval. However, Sr. Escuredo went ahead with his threat to resign after a two-hour meeting on Wednesday with Sr. Alfonso Guerra, the Deputy Prime Minister.

# South Africa mine deaths blamed on colliery owners

BY OUR JOHANNESBURG CORRESPONDENT

THE OWNERS of Hlobane colliery near the Natal town of Vryheid have been found responsible for a methane gas explosion which took the lives of 68 miners at the South African mine last September.

Mr. M. J. Reynders, the magistrate who presided over the inquest and inquiry into the explosion concluded that under South Africa's Criminal Procedure Act the Vryheid Coal and Iron Railway Company, which owns Hlobane and which in turn is a wholly-owned subsidiary of the state-owned steel-maker Iscor, was responsible for the deaths.

While he found that no living person was responsible for these deaths Mr. Reynders concluded two colliery employees who were responsible for safety, underground ventilation and equipment maintenance were guilty of negligence.

The Hlobane inquest breaks new ground in South Africa's mining industry as it was the first accident inquiry at which a trade union representing black

workers has been present. The National Union of Mineworkers which has an all black membership has systematically raised the safety issues with mine management since last year when it became legally entitled to negotiate with employers.

The NUM brought three expert witnesses from overseas to give evidence. Before the inquiry it had made allegations about the poor quality of the colliery's safety procedures.

One of the NUM's foreign experts, Dr. Herbert Eisner who is a former director of the Explosions and Flame Laboratory of the British Health and Safety Executive, alleged that death rates in South African collieries are about six times as great as in Britain.

The NUM allegations were borne out when the inquest heard of faulty flame proofing of underground loading equipment, of carelessness in providing adequate underground ventilation, and of attempts to falsify entry in official mine safety records at Hlobane.

# Argentine Cabinet fails to agree Falklands stance

BY JIMMY BURNS IN BUENOS AIRES

INTENSIVE consultations by President Raul Alfonsin all week with his closest cabinet colleagues have failed to produce a consensus on moves to break the deadlock with Britain over the Falklands.

As a result, President Alfonsin has put back plans for a major policy statement setting out Argentina's terms for a renewal of dialogue with Britain. The statement was originally due a week ago yesterday but reportedly cancelled because of the death of Soviet leader Mr. Yuri Andropov. A series of leaks from senior officials in Buenos Aires said the statement would be made this past week.

The officials went so far as to indicate some of the points President Alfonsin would make. These included the dropping of the Argentine Government's insistence on the issue of sovereignty over the islands being an integral part of initial conversations.

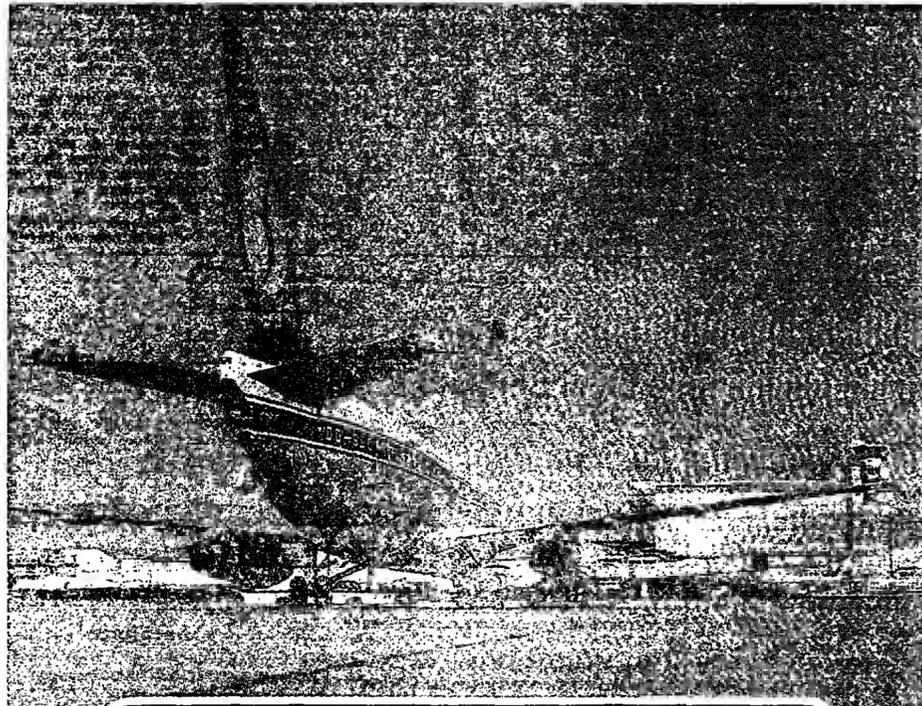
Two main elements appear to be holding up the policy statement. Some members of the cabinet are arguing that Argentina cannot be seen to be making major concessions to Britain, especially on sovereignty. This, they maintain, would have serious repercussions on the standing of the two and a-half

Argentina has formally asked its bank creditors to wait until April 16 for payment of \$350m (£250m) due on a \$1.1bn bridging loan arranged last year. The payment should have been made on Wednesday, writes Peter Montagnon.

The request was made in a telex to bank creditors from Sr. Bernardo Grinspus, Economy Minister. He said Argentina needed more time for discussions with the International Monetary Fund and the committee of leading banks, chaired by Citibank.

month old democratic government. At the same time, efforts to re-establish diplomatic and commercial relations with Britain are being considered parallel with highly sensitive negotiations with Chile over the disputed Beagle Channel.

Even if President Alfonsin does not now go public, he nevertheless will have to reply to British proposals for a resumption of commercial and diplomatic relations submitted more than two weeks ago through the Swiss. These proposals were yesterday reproduced in the press in Buenos Aires.



# "I've put you on Sabena

Flying's less fuss via Brussels

You'd be surprised how often connecting with Sabena's handily timed world wide services in Brussels can leap-frog you over congested airports. And get you where you want to be in the world with less fuss and maybe faster, too.

For a major international crossroads, Brussels National Airport is compact and hassle-free with excellent facilities and Sabena service proves that to travel can still be almost as pleasant as to arrive.



...and your travel agent or Sabena office has all the details about Sabena's worldwide network...

**SABENA**  
BELGIAN AIRLINES

# Insurance to be sold in U.S. banks' branches

BY PAUL TAYLOR IN NEW YORK

BANKAMERICA, the second largest U.S. banking group, has signed an agreement with a major U.S. insurance company which will enable bank customers to purchase a range of insurance products including car, home and life insurance at Bank of America branches.

The agreement with Capital Holding Corp, one of the 10 largest U.S. stockholder-owned life insurance groups, which will operate the insurance desks within bank branches, represents a further "back-door" erosion of the U.S. banking regulations which prohibit U.S. banks from offering insurance services.

It will be the first time a U.S. bank has been able to provide its customers with a range of insurance products within a branch system.

U.S. banks are currently not allowed to sell consumer insurance although a number of them, including Bank of America and Citicorp have been pushing to change the regulations.

Under the terms of agreement with the West Coast bank group Capital will pay Bank of America a fixed fee for use of its office space but the bank will not receive any additional fee income.

Although the project is seen as a pilot scheme—initially confined to 20 bank branches in two California towns—it also represents a major push by Bank of America to expand its financial services operations and put the bank in a position to take immediate

advantage of further moves towards deregulation of the industry.

Mr. James Wiesler, vice chairman of Bank of America, said the bank believed the move would give it "a head start" in the race by commercial banks to enter the insurance business.

"We view personal insurance products as an essential element of any complete financial services programme," he said. "We believe this agreement will provide our customers with a convenient, cost-effective way to take care of their insurance needs, and will give us a head start to move effectively into the consumer insurance areas when banking regulations permit."

current restraint of an archaic set of laws, this step is one way in which we can bring added value to our customers and help expand the choices available to them."

Mr. Wiesler said the pilot scheme, which could eventually be extended to other branches in Bank of America's 1,225-branch network, represented part of the bank's strategy to develop a full-line financial services company.

FINANCIAL TIMES: USPS No. 15064, published daily except Sundays and holidays. U.S. subscription: \$22.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 62nd Street, New York, NY 10022.

السعودية العربية

MF ede  
cord on  
rogram

### Jaguar decision expected next week

By Kenneth Gooding, Motor Industry Correspondent  
THE GOVERNMENT is expected to make a decision by the end of next week about the way in which Jaguar, BL's luxury car company, should be returned to the private sector.  
Mr John Egan, Jaguar's chairman and managing director, publicly entered the debate yesterday when he forcefully declared it would be "a disgrace" if Jaguar was simply sold off to the highest bidder.  
After all the work by management and employees to bring Jaguar back from the brink of bankruptcy, it would be wrong for employees "to be humbled and humiliated" in that way, he insisted.  
Mr Egan made it clear that of the options available he would prefer Jaguar to be floated on the Stock Exchange as an entirely independent company. "There is no question in my mind—Jaguar could survive saltn," he declared.  
However, the indications are that the Government will accept a recommendation of the BL board that Jaguar should be privatised via a Stock Exchange flotation but with BL retaining a substantial minority of 20 to 25 per cent.  
This is despite the fact that a report by a leading merchant bank commissioned by the Department of Trade and Industry early this year recommended that Jaguar should be sold off to another company so as to maximise the price.  
General Motors, the world's largest automotive group, is known to be among the interested potential buyers and would offer wider distribution for Jaguar cars in the U.S. as well as guarantee about future capital investment in Jaguar's UK operations.  
A battle has also developed between the BL board, which insists it has the right to retain within its cars division any cash raised from the sale of Jaguar, and the Treasury which argues it should receive some of the money.

### Judge stops Chelsea meeting

By Raymond Hughes, Law Courts Correspondent  
A HIGH COURT judge yesterday ordered the adjournment of a meeting fixed for next Wednesday to approve a £338,708 takeover bid by Marler Estates for SB Property, owner of Stamford Bridge, the home of Chelsea Football Club.  
Mr Justice Mervyn Davies made the order on the club's application despite opposition from Marler and SB, who argued that it would cause serious complications because of the form of the bid.  
The judge said an extraordinary general meeting of SB should not take place until at least seven days after he has given judgment on a series of court applications arising from the bid.  
It was, he said, difficult to see all the implications of the meeting going ahead in the meantime.  
Chelsea FC, which, with its chairman, Mr Ken Bates, now holds 32.94 per cent of SB, has petitioned the court under a section of the Companies Act enabling minority shareholders to complain that a company's affairs are being conducted in a manner unfairly prejudicial to them.  
The club fears that, if the takeover goes through, Stamford Bridge might be lost to the club, and to professional football, and be used for development.  
It has told the court that Marler had "little or no interest" in the club, which wants the court to order independent reports on the value of the ground, its likely development potential and on the Marler offer.  
Marler and SB are asking the court to strike out the petition on the ground that it discloses no reasonable cause of action.  
Marler announced on Thursday that its offer had been accepted by 69.58 per cent of SB's shareholders.  
SB's chairman, Mr David Mears, and another director, Viscount Chelsea, are among shareholders who favour acceptance.  
Sir Richard Attenborough, another SB director and a 5.8 per cent shareholder, has adopted a neutral position, while expressing reservations about the takeover, which he fears may be detrimental to the club.  
Mr Phillip Heslop, for Chelsea, said the battle for control of SB centred on 10 shareholders, with 1.68 per cent, and Sir Richard, who were the only people not committed to one side or the other.  
The 1.68 per cent was critical, because if its holders were persuaded to sell to Marler the company would, in the event of Sir Richard abstaining or not attending, have the 75 per cent necessary to pass special resolutions at company meetings.

## Vision of the City with integrated securities houses

### Barry Riley talks to the man behind Mercantile House's latest deal

MR JOHN BARKSHIRE started in the City of London a quarter of a century ago as a junior in Cater Ryder, the discount house, which is now part of Cater Allen, and rose to become joint managing director before leaving in 1972 through a management buyout of Cater's money-broking side.  
That broking business, vastly swollen through organic and acquisitional growth, has become Mercantile House Holdings. As its chairman, Mr Barkshire has now moved back into the enclosed world of the discount houses through yesterday's £25m agreed purchase of Alexanders.  
It is a world which is still much the same as when Mr Barkshire first joined it—but probably not for much longer. Yesterday he set out his vision of a City in which the traditional demarcation lines will disappear.  
The changes would go way

beyond just the Stock Exchange itself, he said. He envisaged creation of integrated securities houses covering a complete range of activities from shorts and equities to trading in short-term money market instruments.  
Four elements needed to be put together—a market-making and trading activity, a distribution network of customers, a pool of capital and a presence in overseas markets.  
Mercantile already had trading capacity and overseas strengths. Alexanders would bring in capital and further market-making skills. A stock-broking firm, however, would be required to complete the structure.  
"If we can put all of that together we will have an excellent base from which to develop," Mr Barkshire said.  
Mr Jeremy Hardie, deputy chairman of Alexanders, said

"We don't believe there is time to build one's own structure," he said. Accordingly, it was necessary to build the new securities house from different components.  
Two companies agreed in their views on future trends in the City's financial markets. It would be necessary, however, for Alexanders' discount house activity to continue independently of the rest of Mercantile House.  
It needed to be isolated in a way that would satisfy the regulatory requirements of the Bank of England. Within the Mercantile framework, however, it would actually be easier for Alexanders to develop non-traditional interests because these could be placed elsewhere in the group's structure.  
One aim would be to develop in the direction of gilt-edged trading and market-making. This sector is still tightly controlled by the Bank and the Stock Exchange, but Mr Barkshire believed it was ex-

treinely unlikely the Bank would not ultimately extend facilities beyond the gilt-edged jobs.  
He thought that even if the barriers remained, there would still be scope for Mercantile to trade in gilts in combination with the flow of orders generated by the in-house stock-broking arm.  
He suggested he would now spend up to four months looking for a stockbroking firm to complete the group's structure. He declined to comment on how much Mercantile was willing to spend on such an investment, which under Stock Exchange rules would be limited for the time being to a 29.9 per cent stake.  
Mercantile's deal with Alexanders, the fourth-largest discount house, followed an extensive search. "We looked round the discount market and had discussions with a variety of different houses," he said.  
The Bank's acceptance of the take-over is an indication of how it has changed its attitude towards the previously jealously protected discount house sector, which is the key element in the Bank's control of short-term money markets.  
Its agreement more than a decade ago to allow the purchase of Clive Discount by Sime Darby, the Far East trading house, was widely thought an error of judgment. Clive was refuted as an independent operation.  
Though Alexanders is technically a bank it is highly specialised and Mr Barkshire made clear yesterday that he has no intention of taking Mercantile into any of the traditional deposit-taking and lending areas of merchant banking.

### P & O chief promises 'a good run'

By Andrew Fisher in Helsinki  
MR Jeffrey Sterling, chairman of P & O, promised a "good run" after the company renewed its takeover bid for the UK shipping and construction company.  
He was speaking after the floating out ceremony for the luxury £150m (£104m) cruise ship being built for P & O at the Helsinki yard of Wärtsilä.  
He and Mr Tankmar Horo, chairman of Wärtsilä, turned a wheel to start the slow flooding of the huge covered dock in which the 45,000-tonne vessel has been built.  
Today the sleek futuristic ship, to be named Royal Princess, is due to be floated out through the broken ice of the waters round the dock in a precision operation which would be hampered only by sudden high winds.  
The ship, the world's third largest passenger carrier after the Norway and the QE2, which were built in more leisurely times of scheduled passenger services, will be the biggest modern purpose-built cruise vessel.  
The ceremony was performed three days before the Monopolies and Mergers Commission is due to finish its report on whether the Trafalgar House bid should be allowed.  
Mr Sterling said his verdict might be known by the end of this month. He declined to say if he thought Trafalgar House would renew its bid, worth nearly £300m when made last May.

### Sceptical reaction in City to public spending plans

BY MAX WILKINSON, ECONOMICS CORRESPONDENT  
THE GOVERNMENT'S public spending plans for the next three years, announced on Thursday, were given a sceptical reception by City analysts yesterday.  
The general verdict was that Mr Nigel Lawson, the Chancellor, has set spending targets which are unrealistically tight, that the assumption of inflation falling to about 3½ per cent by the end of the period is highly optimistic, and that there will be little room for tax cuts in the next three years.  
The broker James Capel concludes: "To achieve a radical decline in taxation, the Government would need 1950s style growth with low or zero inflation—a possible but unlikely combination over the next five years."  
The Public Expenditure White Paper showed that spending is planned to rise by 5 per cent in cash terms next year (1984-85) with rises of 4½ per cent and 3½ per cent in each of the next two financial years.  
The Government has said these increases are intended to keep the level of public spending roughly constant in real terms (after allowing for the general inflation rate). This suggests that it believes inflation will fall from 5 per cent next year to about 3½ per cent in 1986-87.  
City analysts, however, are not expecting such a steep fall in the inflation rate, although

they do not predict any great acceleration of prices either.  
Capel says the inflation rate is more likely to be about 5 per cent in 1985-86 rising to 5½ per cent in the following year.  
Simon and Coates says the Government's low inflation assumptions "may not be compatible with a continuing economic recovery."  
The broker Griesevon Grant believes the Government is over-optimistic about the public sector wage bill for 1984-85, which is planned to rise by only 1.7 per cent compared with the level in the current year.  
Griesevon Grant points out that last year's White Paper projected a rise of 3.1 per cent in the wage and salary bill but it is now estimated that the increase will turn out to be 6 per cent.  
If the Government can hold departments to their overall cash limits, any overshoot on wages will have to be accommodated by cuts elsewhere. But there is some doubt in the City about the extent to which this will prove possible.  
Griesevon Grant says the totals for local authority spending "break the bounds of credibility," and they see little hope of the projected 2 per cent cash cut being achieved next year compared with the rise of 12 per cent expected for 1983-84.  
The broker also believes that higher than projected inflation in May will mean that social security payments will be indexed by more than the Government expects, at an additional cost of about £250m. Together with an underestimate of wage rises, this could add £2bn to the White Paper total for 1984-85, argues Griesevon Grant.  
Simon and Coates, however, says the Government should have no problem in hitting its £2bn target for the public sector borrowing requirement in 1984-85, although it is much less convinced by the figures for the following two years.  
James Capel estimates, using a version of the Treasury's economic model and its own assumptions, that the FRSB next year will be £7.5bn on unchanged policies with about £6.6bn in each of the two following years.  
These figures would not be low enough to allow the Government to make significant savings if it sticks to its medium term financial strategy.  
The diagram on the front page of Thursday's issue indicated that projected spending on "overseas aid" in 1984-85 was £2.3bn. This figure is in fact for "overseas aid and other overseas services." The net aid programme allocated for 1984-85 is £1.1bn, with the balance for other services.

### Norway gas supply deal confirmed

By Richard Johns  
STATOIL of Norway confirmed yesterday that a draft contract with British Gas for supplies of gas from the Sleipner Field had been concluded.  
The Government could take several weeks deciding whether to approve the deal. The Treasury said yesterday that it was still under study. It would be "some time before a decision was made."  
British Gas is evidently apprehensive about the risk of aggravating the Treasury, which is believed to be lukewarm, if not hostile, to the deal. The Department of Energy would be anxious to avoid conflict with the Treasury of the sort that occurred over government insistence on raising electricity prices.  
The main Treasury reservations probably centre on the prospect of a loss of revenue if, as a result of the Sleipner deal being approved, the development of gasfields in the UK sector of the North Sea is held back. A related consideration would be the loss of opportunities for UK suppliers.  
It is understood that Statoil and its partners in the development of Sleipner will construct and own the pipeline from the field to surplus. A 40-in facility is planned which would give a surplus capacity to accommodate gas from other fields.  
The contract is believed to be for 12-15 years, with an average annual supply of 5bn therms projected.  
The Norwegian newspaper Aftenpost says the total volume of gas involved is 185bn cu metres, the equivalent of about 65bn therms.

### Rank Xerox looks to office systems sales

BY JASON CRISP  
RANK XEROX said yesterday that by 1990 only half its income would come from reprographics.  
Mr Roland Magnin, recently appointed managing director, said the remainder would come from office systems.  
The company, jointly owned by Xerox and the Rank Organisation, has tried to reduce its dependence on copiers on a number of occasions with little success. It is now claiming significant successes in electronic printing and electronic typewriters.  
Rank Xerox predicts that the demand for electronic printing is so explosive that by 1990 printing from electronic images will exceed the number of pages produced by copiers and typewriters.  
Mr Magnin said electronic printing would be profitable in 1984 and make a "significant profit in 1985."  
He said there had also been a change in attitude towards selling equipment made by other companies, and to selling its own equipment through other organisations. Rank Xerox—by implication Xerox—now accepts the need for so-called "original equipment

manufacturer" relationships.  
Wang, the U.S. office equipment company, sells a Xerox electronic printer. Rank Xerox, which sells Xerox copiers throughout the world except in the U.S. and Far East, expects to extend its product range in office systems by selling other companies' equipment.  
"We cannot afford to make everything," said Mr Magnin.  
Rank Xerox's annual report, published yesterday, showed that sales fell 2 per cent to \$2,372bn and profits fell 12 per cent to \$315m.  
Mr Magnin predicted profits in local currencies would rise 10 per cent in the current year. The UK would outstrip France in the current year as a source of revenue—the two countries account for 15 to 20 per cent of revenues.  
Rank Xerox employment fell from 35,604 to 31,791 in 1983 and redundancy costs totalled \$34m.  
The report said: "Rank Xerox results for the year to October 31 1983 were adversely affected by the continued rise in the value of the dollar and exceptional redundancy costs and provisions."

### More free banking

THE Bank of Scotland has ended the need for customers to have at least £50 in their account to qualify for free banking. From February 1 customers will simply be required to maintain their current accounts in credit.  
The bank estimated that an additional 15 per cent of its personal customers will not now pay charges.  
For those not in credit the bank will increase its cheque charge on May 1 from 22p to 28p. Its charges for other debit items, such as standing orders and direct debits, will stay at 15p.

### Skandia issues 'tax-free' bond

BY ERIC SHORT  
A LUMP-SUM investment bond, designed to enable investors to draw a tax-free income, has been launched by Skandia Life Assurance Company, the UK life company in the Skandia Insurance Group, Sweden's largest.  
A lump-sum life bond is subject to higher-rate tax, including investment income surcharge on the profit.  
However, investors can withdraw 5 per cent of their investment each year, and defer the tax liability until the bond is cashed in.

Skandia's Maximum Investment Bond has been designed as a combination of single premium and regular premium policies so the tax liability can be avoided at each cash-in, thus providing tax-free income.  
The company has been a leader in designing tax-efficient life bonds. It originated the Capital and Investment bond, a lump-sum investment providing tax-free income to higher-rate payers.  
The Inland Revenue took action against these bonds last year.  
Skandia has kept a low profile in marketing tax-efficient life bonds.  
Its broker bulletin announcing the new bond stated that "the company wishes to minimise publicity and accordingly will not accept applications from any broker who places advertisements in the Press."  
The company believes that these complex products should be sold on a person-to-person basis and not by mass marketing.

### Howard Doris holds talks with Britoil

By Mark Meredith, Scottish Correspondent  
HOWARD DORIS, the Anglo-French offshore construction company, yesterday held talks with Britoil in Glasgow over the possible completion of an £88m order for a semi-submersible drilling rig at the Scott Lithgow yard on the Lower Clyde.  
Britoil last December cancelled the order when it was about two years behind schedule. The cancellation was expected to lead to the closure of the yard and the loss of its 4,000 jobs. But a government decision to write off most of the Scott Lithgow debts has meant that three companies are now interested in resuming the Britoil contract.  
A statement from Howard Doris, which operates an offshore fabrication yard in the Western Highlands, said that the talks were constructive and would continue.  
The other two companies which have also started negotiations with Britoil are Trafalgar House, the property and shipping concern, and the UK arm of Bechtel, the big U.S. international engineering company.

### Plant and machinery tax law criticised by court

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT  
THE Appeal Court yesterday criticised tax laws under which large sums may be spent on machinery and plant and yet nobody be entitled to claim capital allowances on the expenditure.  
It ruled that as the law stands a leaseholder of property who installed plant and machinery not required under the lease was not entitled to tax allowances.  
The plant and machinery were fixtures which belonged to the landlord and not to the lessee, the court held.  
Dismissing an appeal by Costain Property Investments, a subsidiary of Richard Costain, Lord Justice Fox said that the company had 99-year leases on two properties for development purposes.  
The development cost had included more than £515,000 spent on plant and machinery, principally lifts and central-heating equipment.  
Costain's claim for first-year allowances in respect of £507,000 of the expenditure had been upheld by tax commissioners. They decided the plant and machinery belonged to Costain under the Finance Act 1971.  
That decision had been overturned by the High Court, which ruled that as Costain was only a leaseholder the plant and machinery did not belong to it.  
Section 41(1) of the Act provides that where "a person carrying on a trade incurs capital expenditure on the provision of machinery or plant for the purposes of trade, and in consequence of incurring the expenditure the machinery or plant belongs to him at some time during the chargeable

period," an allowance shall be made to him.  
Costain argued that "belong" had to be construed in a businesslike and commonsense way to include assets comprised in a lease that was likely to extend beyond the possible life of the machinery or plant.  
Lord Justice Fox said the plant and machinery were the landlord's fixtures. They did not belong to the leaseholder, who could not remove them from the building or dispose of them except as part of the building, and subject to, and within the terms of, the lease.  
Section 46(2) of the Act provided that a lessee was to be "treated" as a person to whom machinery or plant belonged—but only if he was required to provide it under the terms of the lease. That was not the position in Costain's case.  
The judge said that the state of the law was unsatisfactory.  
"The purpose of the statutory provisions must be to encourage investment in machinery and plant. In this case very large sums were expended on such investment but, under the enactment as it now stands, nobody will receive the tax allowance in respect of it."  
"The freeholder will not incur the expenditure and is not carrying on the trade."  
"The taxpayer will not be able to claim the allowance because the items did not belong to the taxpayer."  
"The Revenue are unable to suggest any policy reason why a person in the position of the taxpayer should be refused relief."  
"It is to be hoped that the ambit of the legislation will be reconsidered."

### TV-am cuts accepted

TV-AM'S LARGEST union, the Association of Cinematograph, Television and Allied Technicians, yesterday formally accepted a package of cuts the management said were essential to save the commercial breakfast company.  
The shareholders are now expected to put up an additional £3m by the end of next week. This is likely to come from existing shareholders although the possibility of one new shareholder has not been entirely ruled out.  
Nissan to visit sites  
REPRESENTATIVES of Nissan, the Japanese car company, are to revisit sites under consideration for their £300m British car plant next week.  
The delegation will be at Shotton, North Wales, on Wednesday, on Humberside on Thursday, Teesside on Friday, Sunderland on Saturday, and Newport and Cardiff, South Wales, on Monday week.

### BOC's second award

BOC, THE industrial gases and health care group, yesterday won a second award for the quality of its 1982 annual report and accounts in the annual Stock Exchange and Accountant magazine awards.  
In November the Society of Investment Analysts gave BOC its best annual report award for the second year running in November.

### Rail-car ticket plan

AIR PASSENGERS to the Isle of Man may soon be able to buy a joint-air-rail ticket.  
Manx Airlines, which has applied for Civil Aviation Authority permission to operate up to two daily flights between Birmingham and the island, is holding talks with British Rail for joint ticketing so that passengers can use the link with Birmingham railway station and the city's airport.

### Tax law study

TAX LAW change to let companies work more closely with universities are to be studied by a committee on industry-education links.  
The committee, chaired by Lord Flowers, rector of Imperial College, will include academics, senior managers and representatives of finance organisations.

### Well-shod Britain

BRITONS buy just over four pairs of shoes a year—more than any other European country except France—says a marketing survey published yesterday.  
Mintel research reveals that the average Briton buys 4.4 pairs of shoes a year, compared with 5.3 pairs a year in France,

### Industrial base in new technology urged

BY IVOR OWEN  
A SOUNDLY based and expanding micro-chip industry is essential to enable Britain to prepare for the time when North Sea oil starts to decline and eventually runs out, Mr Kenneth Baker, Minister for Information Technology, told the Commons yesterday.  
Mr Baker said the Government was seeking to ensure that by then Britain would have a sufficiently strong base of expertise and markets in new technology—in information technology and new micro-chip technologies—to provide a source of wealth for the next 25 to 30 years.  
He highlighted the fact that the level of financial support for information technology had increased from £50m a year, when the Government took office in 1979, to £268m this year. He described it as "the fastest area of growth of public expenditure in the period of this Government."  
Micro-chip production had almost doubled from \$117m (£81m) in 1978 to \$353m (£235m) in 1982, and Britain had the fastest-growing integrated circuit industry in Europe, he said.  
Mr Roger Stott, for Labour, pressed for an assurance that American Telephone and Tele-

graph (AT & T), the U.S. telecommunications company would not be allowed to acquire Immos, the state-backed micro chip manufacturer, and use it as an entry point into the EEC.  
He said "in the national interest it is absolutely imperative that Immos remains British and that the Government retains its share in this key industry on behalf of the British people."  
Mr Baker said the Immos board was examining various approaches which had been made and was expected to make recommendations in the next few weeks.  
Coopers also thinks that 30 years is too long a period since most electrical appliances wear out within 15 years, so the price signal should be designed to make the maximum impact upon investment decisions and rates of consumption within that time frame. The 30-year formula "it describes as 'not defensible.'"  
"In present circumstances, net effective costs of new plants are not effective at all," the report says.  
In essence, the report is saying that the agreed principle by which electricity prices are set—that of calculating long-run marginal costs, which is the cost of meeting incremental demand—is not being followed under present procedures.  
The 92-page report also takes

### Electricity is overpriced, says document prepared for minister

BY IAN HARGREAVES  
MIDDLE and misconception in the calculation of the bulk electricity supply tariff have led to customers being charged more than necessary, according to a report from accountants Coopers and Lybrand.  
The report, written for Mr Nigel Lawson when he was Energy Secretary in 1982 and the subject of fierce controversy during the recent Cabinet dispute over electricity prices, was quietly made public in expurgated form yesterday, following pressure from MPs.  
From the text as released it is not possible to state categorically what the scale of overcharging has been, but the report says that if its arguments are accepted the Central Electricity Generating Board would be able to justify raising "significantly less revenue than the present formula."  
Internal estimates in Whitehall and the electricity supply industry suggest that the Coopers findings, which the industry contested, would have meant a cut of 5 to 10 per cent in prices followed by a freeze for several years.  
The report says that the complex calculations used to set the bulk supply tariff (BST), which is the price the central electricity board charges area boards for their supplies and is the key to the price paid by consumers, are not based on sound economics.  
The heart of the Coopers argument is that because the CEB has excess capacity, it will not need to build power stations for the purposes of

meeting extra demand (as opposed to lowering the cost of supply—the justification for extra nuclear stations), before the year 2005.  
In spite of this, the BST assumes that electricity prices should contain a notional element to pay for the cost of new stations over the next 30 years—calculated at a discounted basis to arrive at the so-called net effective cost of this investment.  
In reality, the report says, the part of electricity tariffs relating to power station capacity should be reducing the cost of closing down older, inefficient stations as the more cost-effective units come on stream. This rival calculation is known as the net avoidable cost.  
Coopers also thinks that 30 years is too long a period since most electrical appliances wear out within 15 years, so the price signal should be designed to make the maximum impact upon investment decisions and rates of consumption within that time frame. The 30-year formula "it describes as 'not defensible.'"  
"In present circumstances, net effective costs of new plants are not effective at all," the report says.  
In essence, the report is saying that the agreed principle by which electricity prices are set—that of calculating long-run marginal costs, which is the cost of meeting incremental demand—is not being followed under present procedures.  
The 92-page report also takes

issue with the electricity industry on many other points. These include:  
● The existing structure of peak and basic charges is "not justified" by economic pricing criteria.  
● The fuel price adjustment clause in electricity tariffs reflects average fuel costs and "is not appropriate to a marginal cost tariff."  
● Too large a charge is made for other overheads in the system.  
● Methods of estimating costs are often wrong, arising from mistakes of principle, out of date data and "blurred lines of communication between different sections of the CEB."  
● The method of charging for the CEB's coal consumption does not relate to the real costs of the resource used.  
The report concludes by acknowledging that its findings would, if implemented, produce "a serious divergence" between a soundly-based electricity tariff and the amount raised by the BST, although it rejects many of the arguments made by industrial consumers of electricity about overcharging.  
It accepts that to cut prices might distort "the marginal cost message" and lead to significant shifts of demand, but adds: "It is perhaps not surprising that economic reasoning should lead to a conclusion that since the nation has paid for the capacity already it is appropriate to set tariffs which encourage its use."

# Unions in effort to force GCHQ ban compromise

BY JOHN LLOYD, DAVID BRINDLE AND JOHN HUNT

CIVIL SERVICE union leaders will make an all-out effort at their next meeting with the Prime Minister to force a compromise on the proposed ban on unions at the Government Communications Headquarters in Cheltenham—but many expect failure.

They have submitted a draft "no disruption" agreement for Mrs Thatcher's consideration over the weekend, which they believe goes as far as they possibly can in guaranteeing no attempt to disrupt 24-hour a day, seven-day a week operation at Cheltenham.

At the same time, however, they are coming under increasingly heavy pressure from their activities to call a national one-day strike on the issue. A "day of protest" is planned for February 28—two days before the ban is due to take effect—and union activists in several parts of the country are already making plans for strike action.

These preparations run counter to the official view of the Council of Civil Service Unions, that members do no more than hold lunchtime meetings. The West and East Scotland co-ordinating committees, Manchester, Cardiff, Swansea and London are all known

to have called on the national council to declare a one-day strike and it is likely that Merseyside and West Yorkshire will be among others to follow suit.

The draft agreement, handed to Sir Robert Armstrong, the Cabinet Secretary, on Thursday, is cast in the form of a series of commitments by the unions not to disrupt GCHQ work. A key passage reads: "The trade unions will not instruct or ask members to take any action which might put at risk the maintenance of 24 hour, seven day a week coverage."

All information which the GCHQ management deems to be classified will be withheld from full time union officials, and the GCHQ union officials would only be accountable to their own members for matters relating to the Cheltenham base.

General secretaries of the Civil Service unions yesterday described the agreement as a "belt and braces" deal, which would effectively isolate Cheltenham from any kind of industrial action.

However, some do not believe it will gain the Prime Minister's agreement. They are not prepared to agree to lifting the ban on condition that there be no contact between union

# Gently moving ahead

After the hectic pace of the last account the London market is adopting a safely, softly approach with, if anything, prices tending to edge slightly higher. The real action was in the foreign exchange markets where cracks began to show in the strength of the dollar, especially against the Deutsche Mark.

For the gilt market any weakness of the dollar gives further insulation from the U.S. bond market and the general view is that Government stocks will probably move gently upwards, rather than gently downwards, in the run-up to the Budget. Any movement, however, is likely to be fairly shallow.

The mass of statistics that were spun out of the Treasury and Bank of England on Thursday should keep back-room number crunchers busy for a while. Overall the news was broadly encouraging, if not exciting enough to get the market in a really bullish frame of mind. Equities ended the week slightly ahead though towards the end prices were struggling to hold the modest improvement of Tuesday and Wednesday when the FT 30-Share added back another 13.6 points.

On the bid front London Merchant Securities has entered the stage by picking up a stake of just over 5 per cent in James Walker, the High Street jeweller currently in talks with fellow retailer H. Samuel. While Walker may prefer to continue on its own, the reality is that with over 30 per cent of the equity now in the hands of three public companies independence looks short-lived. Cecil Gee has just over 14 per

## LONDON ONLOOKER

cent. Samuel owns 12.3 per cent and now LMS has tucked away some shares. Walker, understandably, remains quiet on exactly how many people it is talking to but not all the names are thought to be acceptable to Walker's management. A cosy deal with Samuel would, no doubt, be the most attractive scenario for Walker's men.

Elsewhere on the bid battlefield, Hanson has raised its terms for London Brick a third time. At 163p cash, or 173p in loan stock, the offer is now worth £247m against an initial bid of £170m. This third offer is final, says Hanson. Yet London Brick is still rejecting. If the brickmaker can come through and stay independent what will Hanson do with the shares it has been buying? Its holding must be getting close to 30 per cent of London Brick's equity and one thought is that Hanson will bid its time and come back in due course with a second offer. Certainly a shareholding like that would keep London Brick's management on its toes.

## Engineering profits

Speculation has been swirling around the share price of TI Group for the last couple of weeks or so. Since the beginning of the year the price has risen by close to 40 per cent relative to the market and its shares have been changing hands at levels not seen for a

couple of years. The possibility that a bid is on the way. General Electric of the U.S. has been mentioned, then abandoned, as a likely bidder and now it is the turn of Electrolux. It is anybody's guess.

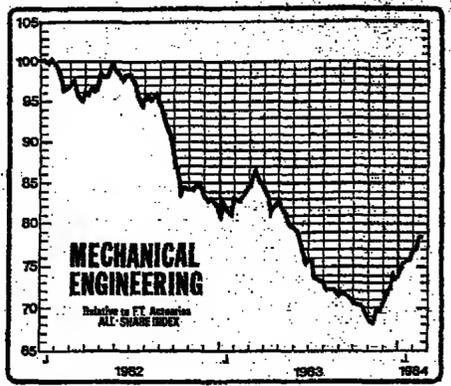
Still, the mystery has prompted TI's chairman, Sir Brian Kellett, to make a surprisingly bullish statement about trading prospects, which serves to highlight the sea change within the engineering sector. Investors didn't have to look far for confirmation of the recovery. Birmid Quiclast this week rolled out full-year figures to the end of October showing profits of £8.59m against losses of £1.4m.

The message from the sector is clear enough. There is a strong volume increase coming through on a much reduced cost base. It may not amount to a return to pre-recession output levels but trends augur well for profits.

Estimates from the industry suggest a 5 per cent volume increase in UK sales for mechanical engineers this year. That would still leave the sector short of 1979-80 levels by some 15 to 17 per cent but the upturn is being achieved from a workforce reduced by a third since the end of the seventies.

Outside the UK, the sounds of forecasts for a 7 to 8 per cent increase in capital expenditure in the U.S. must be sweet music to many of the leading British engineers with major U.S. subsidiaries.

Profit figures for 1983 should look fairly good and 1984 could be even better with an overall growth rate of around a quarter for engineering stocks. Add to



that a sharp reduction in below-the-line extraordinary costs and dividend growth of 10 per cent and the engineering sector looks far from played out, even after the rise of recent months.

## Taking insurance

A fair amount of speculation has also been propelling the share price of Phoenix Assurance recently. Ever since Allianz lost Eagle Star to BAT the City has been wondering who might be Allianz's next quarry. Since the beginning of January Phoenix's price has shot up from 378p to hit 480p—a rise of 30 per cent—while the sector as a whole has barely budged.

Up to a point Phoenix is the most vulnerable of the composite insurers; it is by far the smallest—still capitalised at under £300m—and net asset value is worth perhaps as much as 800p a share. And the 24 per cent stake held by the U.S. insurance giant, Continental Corporation, could provide a useful springboard for any bidder. Yet Allianz took the wind out of the speculators' sails mid-week with a statement that it was not after Phoenix. The British group's shares eased back but it would not take much to rekindle the rumours.

Meantime the results season looms. The figures will be out soon from Commercial Union, General Accident and Royal. All three have sizeable U.S. commitments so the results will look dull. There have been some grim figures out from U.S. insurers for the fourth quarter and the British companies cannot escape the effects of bad weather on the other side of the Atlantic. The other three majors, Phoenix, Sun Alliance and GRE, will be out in early April. Results from them might be a little brighter because of a lower involvement in the States.

Profits aside, shareholders will probably be treated to generous dividend payments, except perhaps in the case of CU. It is a favourite guessing game but only he knows the answer.

## Fleet footed

Fleet Holdings, publisher of the Daily and Sunday Express and Daily Star, gave a hint of the changing fortunes of Fleet Street this week. Profits for the six months to the end of December came out at £5.3m compared to £2.7m and the interim dividend is more than doubled to 1.75p a share.

Half of the improvement came from the three national newspapers with profits of £2.19m against £80,000 in the comparable period. The Millionaires Club promotional campaign pulled in plenty of extra circulation, adding as much as 20 per cent to sales at the outset later setting back to around 10 per cent. Former advertising rate cards helped while steady newspaper costs completed the picture.

With the chairman, Lord Matthews, making confident statements about the second half, City analysts were soon jacking up their full year forecasts to around £15m pre-tax against £9.5m.

Yet Fleet's share price, which has outperformed the market by 50 per cent in three months, shows little concern for such fundamentals as profits. A market capitalisation of over £150m is looking beyond inky newsprint to the charms of Fleet's 10 per cent holding in Reuters. That stake could be worth £100m or so when the newsagency is floated on the stock market later this year. Arguably the Morgan Gramplan business alone could be worth close to £50m—assuming a p/e of 15 times—leaving the rest of the business in the price for next to nothing.

The implications are not lost on market punters, especially as Fleet Holdings has the added ingredient of a shareholder, Mr Robert Holmes à Court's calibre. He has been building up a stake since last autumn and now holds just over 9 per cent. His interest is understandable though, as ever, unorthodox. Will he bid? It is a favourite guessing game but only he knows the answer.

TERRY GARRETT

# BT workers fear change in law

BY DAVID GOODHART, LABOUR STAFF

THE GOVERNMENT intends to revise the historic law which makes industrial action by many workers in British Telecom technically illegal.

However, the unions fear that instead of ensuring that BT workers share the same rights as all other workers the change in the law will simply turn a criminal offence into a civil offence.

The Government has given notice of an amendment to the Telecommunications Bill—now passing through the Lords—which would have the effect of revising the 1863 Telegraph Act. That Act, along with the 1953 Post Office Act, makes any "wilful delay" of mail or telephone messages a criminal offence.

The clauses were originally designed to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

The Government intends to withdraw part of clause 45 of the Telecommunications Bill which states that anyone interrupting a telephone message shall be guilty of an offence. However, it intends to add to clause 18 that any worker "in breach of duty" or any act which induces a breach of duty shall be actionable.

Union officials hoped at first yesterday that the Government had conceded their claim to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

The Government intends to withdraw part of clause 45 of the Telecommunications Bill which states that anyone interrupting a telephone message shall be guilty of an offence. However, it intends to add to clause 18 that any worker "in breach of duty" or any act which induces a breach of duty shall be actionable.

Union officials hoped at first yesterday that the Government had conceded their claim to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

designed to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

The Government intends to withdraw part of clause 45 of the Telecommunications Bill which states that anyone interrupting a telephone message shall be guilty of an offence. However, it intends to add to clause 18 that any worker "in breach of duty" or any act which induces a breach of duty shall be actionable.

Union officials hoped at first yesterday that the Government had conceded their claim to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

The Government intends to withdraw part of clause 45 of the Telecommunications Bill which states that anyone interrupting a telephone message shall be guilty of an offence. However, it intends to add to clause 18 that any worker "in breach of duty" or any act which induces a breach of duty shall be actionable.

Union officials hoped at first yesterday that the Government had conceded their claim to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

The Government intends to withdraw part of clause 45 of the Telecommunications Bill which states that anyone interrupting a telephone message shall be guilty of an offence. However, it intends to add to clause 18 that any worker "in breach of duty" or any act which induces a breach of duty shall be actionable.

Union officials hoped at first yesterday that the Government had conceded their claim to stop the theft of letters and have rarely been used. In 1977, though, Lord Denning ruled that a one-week union boycott of mail to South Africa was unlawful under the Telegraph Act and ever since then the unions have been pressing to have the laws changed.

The Government intends to withdraw part of clause 45 of the Telecommunications Bill which states that anyone interrupting a telephone message shall be guilty of an offence. However, it intends to add to clause 18 that any worker "in breach of duty" or any act which induces a breach of duty shall be actionable.

## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1983/4	1983/4	
	Y'day	on week	High	Low	
FT. Ind. Ord. Index	816.2	+10.8	840.5	578.4	Improving UK output trend
FT. Gold Mines Index	606.7	+11.4	734.7	444.6	U.S. buying on weak dollar
Alexanders Discount	560	+162	560	235	Agreed bid from Mercantile House
Birmid Quiclast	79 1/2	+18 1/2	79 1/2	18 1/2	Sharp annual profits recovery
Border Breweries	192	+92	192	88	Bid from Forthways Burtonwood
Carpets International	49 1/2	-16 1/2	83	11	Forecast of small annual loss
Danastream	290	+63	295	177	Good interim results
French Connection	208	+41	208	112	Press comment/thin market
GRE	61	+13 1/2	61	14 1/2	Bid or prop. sale speculation
Gestener A/N/V	99	+22	99	26	Bid speculation
London Brick	165	+10	167	62	Hanson Trust final offer
Man. Agency and Music	142	+29	142	97	Outcome of court case
Norfolk Capital	74	+28	77	27	K. Brooks & Stakis holdings
Poly Peck	325	+28	357	135	Talk of major new deal
Porter Chadburn	119	+15	112	39	Share subscription/cash offer
Reed Executive	100	+50	101	19	Good annual results
Rows Evans Invs.	88	+13	92	31	Merger hopes
Small (J. C.) and Tidmas	75	+30	75	40	Possible asset disposal
Sumrie Clothes	150	+34	152	22	Changing share stakes
TI	244	+26	250	130	Rumours of stake build up

# A week of nervousness

HAVE FOREIGN investors begun to desert Wall Street? This is the question which is worrying the U.S. investment community as it surveys the damage of the six-week old slump in U.S. share prices which has lopped more than a tenth of the value of most portfolios.

The economic news that was pouring out of Washington this week pointed to a more buoyant than expected economic growth in the opening months of 1984. The January retail sales increase of 2.2 per cent was the steepest jump for nine months and the 1.1 per cent rise in industrial production for January was the largest rise since September. Both sets of data suggest that the economy is growing faster than the 4.9 per cent annual rate recorded in the final months of last year.

To date any hint that the Fed might have to tighten its monetary grip has given a boost to the U.S. dollar but not so this week and this is what is worrying Wall Street. As many banks and businesses were closed on Monday for Lincoln's birthday, the dollar's problems did not really appear

until Tuesday, when there occurred a sharp sell off, described by one of the more dramatic foreign currency traders as the dollar's "St Valentine's Day Massacre."

The U.S. currency, which only last month had touched a 10-year peak of DM 2.8510 against the German currency, shed 3 1/2 pennings dropping below the DM 2.70 level on Tuesday and by Thursday it was trading below the DM 2.65 level. The dollar has been overvalued in the eyes of many analysts for longer than they care to remember and most have given up calling its turn. But the fears on Wall Street this week were that foreign investors might have decided that enough is enough, and are taking their profits and moving on. Notwithstanding the sizeable U.S. pension fund inflows, Wall Street is a much more international place than it used to be and even the big U.S. institutions now see the world's stock markets as their bailiwick and no longer believe that they have to confine themselves to the domestic U.S. market.

Some of them have no doubt been following the foreign investors and channeling more of their funds overseas.

Against this sort of background, Wall Street has been in a nervous mood this week. The six-week old decline in U.S. share prices has been one of the sharpest for some time. The Dow Jones Industrial Average had shed more than 150 points by Thursday evening from its January 6 peak and the 11.8

## NEW YORK WILLIAM HALL

percentage point drop in the composite index has been even sharper. Even worse the Dow's Transportation Index is close to 17 percentage points off its January high.

Most of the week Wall Street has been awaiting a rally and on Tuesday there was what one analyst called a "technical bounce" with the Dow Jones Industrial Average rising 13.71

points, as investors went bargain hunting. But on Wednesday and Thursday the market headed lower, although less speedily than before.

The analysts were heartened when the Dow tested the 1,150 mark and bounced back up in mid-week. They were also encouraged by the movements in the yield gap between high-grade bonds and equities. When the market hit its 1984 peak in early January, U.S. equities were yielding 7.58 percentage points less than high-grade bonds. By the end of last week, the gap had narrowed to 6.89 percentage points.

Smith Barney, the U.S. brokerage firm, says in its latest market letter that it believes the recent decline in the stock market is a "mid-cycle correction" resulting from a downward adjustment in expectations and a needed narrowing in the yield spread between stock and bonds. "We do not believe the market is entering a bear phase in anticipation of a recession in 1984," it concludes.

The one sector of the stock market which has stood out during the recent slump in U.S. share prices has been the oil and the takeover mania which

has gripped Wall Street oil stocks for several weeks shows little sign of abating.

The Federal Trade Commission's decision to allow Texaco to take over Getty at the start of the week was interpreted as very bullish by some analysts. They believe that there is not going to be any anti-trust problems with the planned combinations which are now being hatched behind the scenes in the oil industry.

Gulf Corporation, the U.S. oil major, continues to be the front runner in the takeover stakes. It even went as far as issuing a statement saying it did not want to be taken over even though Mr T. Boone Pickens, the maverick Texaco, stalking the oil giant, has still to reveal whether he will pursue. Gulf Corporation's share price has risen by more than a third during the period when the Dow has dropped by over a tenth and most of the other oil stocks have shown handsome gains.

	MONDAY	1150.13	-10.57
	TUESDAY	1163.84	+13.71
	WEDNESDAY	1158.71	-5.13
	THURSDAY	1154.94	-3.77

# Tax staff with a place in history

THE 58,000 members of the Inland Revenue Staff Federation who will vote next week on a new technology agreement have to thank 438 of their colleagues for the opportunity.

For it was the stand taken by the 438 members in 14 tax offices in the West Midlands which led to talks during the past two weeks on the unions' new technology claim, submitted in March last year.

Faced with the introduction of a pilot scheme of computerised Pay-As-You-Earn system, the staff refused to cooperate until there was a national agreement. They were suspended in early January and remain so now.

Most crucial to the re-opening of talks on an agreement, however, was the decision of the West Midlands members on February 3 to maintain their stand in spite of the failure of a High Court action brought by eight of them against the Revenue.

The eight had claimed in court that the computerised PAYE system was fundamentally altering the nature of the jobs they had been engaged

David Brindle on the new technology vote Revenue workers will take next week

to perform. But Mr Justice Walton ruled that there was no real change to allow great flexibility in working arrangements.

On the first point, the unions has not got the cast-iron no redundancy guarantee it was seeking. But it has got "as near as damn it" as one union leader put it yesterday.

In efforts to avert compulsory redundancies, the Revenue has agreed to revise as necessary its annual manpower target figures for each year until 1988, to re-deploy staff both within the Revenue and to other government departments, and to take three specific steps:

● To make full use of "all obtainable" provisions for early retirement.

● To permit temporary over-staffing in some offices.

● To make temporary appointments as required.

The second concession, on job flexibility, is exciting most attention within the IRSF and is likely to do so throughout the labour movement. The union which made the first breakthrough in flexible working hours in the Civil Service now stands poised to make the running again on more radical changes.

The union must still accept 4,000 job losses through PAYE computerisation before 1988 and 7,000 job losses in all in the Revenue by then. But in a separate undertaking, the union says, the Chancellor has agreed to relocate 850 staff to step up pursuit of the "black economy."

The agreement, it will allow the Revenue to proceed with the PAYE computer pilot scheme in the West Midlands and to extend it as planned across the country between 1985 and 1988.

The agreement is also likely to serve as a model for new technology negotiations in other Civil Service departments. "The West Midlands 438" may not roll off the tongue, but may well have a prime place in labour history.

David Brindle on the new technology vote Revenue workers will take next week

to perform. But Mr Justice Walton ruled that there was no real change to allow great flexibility in working arrangements.

On the first point, the unions has not got the cast-iron no redundancy guarantee it was seeking. But it has got "as near as damn it" as one union leader put it yesterday.

In efforts to avert compulsory redundancies, the Revenue has agreed to revise as necessary its annual manpower target figures for each year until 1988, to re-deploy staff both within the Revenue and to other government departments, and to take three specific steps:

● To make full use of "all obtainable" provisions for early retirement.

● To permit temporary over-staffing in some offices.

● To make temporary appointments as required.

The second concession, on job flexibility, is exciting most attention within the IRSF and is likely to do so throughout the labour movement. The union which made the first breakthrough in flexible working hours in the Civil Service now stands poised to make the running again on more radical changes.

The union must still accept 4,000 job losses through PAYE computerisation before 1988 and 7,000 job losses in all in the Revenue by then. But in a separate undertaking, the union says, the Chancellor has agreed to relocate 850 staff to step up pursuit of the "black economy."

The agreement, it will allow the Revenue to proceed with the PAYE computer pilot scheme in the West Midlands and to extend it as planned across the country between 1985 and 1988.

The agreement is also likely to serve as a model for new technology negotiations in other Civil Service departments. "The West Midlands 438" may not roll off the tongue, but may well have a prime place in labour history.

# A sparkling set of figures

MINING PEOPLE are not much given to making adverse comments about their fellows in the industry, preferring to let performance statistics speak for themselves.

Nevertheless, a number of people in the Canadian gold mining business have remarked somewhat ruefully on the popularity among the investing public of the shares of Lac Minerals, wondering why their companies cannot achieve such consistently high ratings.

Most of the people I have spoken to on the subject are prepared to concede that the Lac group is an efficient mining outfit, and that the policy of forward sales of gold has given the group a measure of stability conspicuously absent from most other Canadian producers since bullion's fall from the dizzy heights of US\$800 an ounce four years ago.

They are, however, prone to add that forward sales are likely to look pretty silly once the gold price starts to go up.

So far, gold has refused to rise to any great extent, in spite of any number of efforts to talk the price up. And mean-

while, Lac has gone from strength to strength.

This week's release of fourth-quarter and full-year figures provides the best possible rebuttal of all the criticism to which Lac has been subjected over the past couple of years.

The group reported 1983 net profits of C\$27.97m (£15.8m), up from C\$21.93m the year before, with earnings of C\$1.17 per share against C\$1.01 last time.

The fourth quarter showed an even more sparkling improvement, with net profits of C\$10.02m or 41 cents a share compared with the fourth quarter of 1982's C\$2.02m or 7 cents. Lac attributed the advance to higher gold sales and smaller losses from the oil and gas division.

Gold production rose from 201,181 ounces to 256,897 oz last year, which could make Lac Canada's biggest producer, pending results from the current leader Campbell Red Lake.

In contrast to the London closing average price for 1983, which stood at U.S.\$423 compared with 1982's U.S.\$376, Lac realised a lower average price

last year than in the previous 12 months. Last year's average was C\$256, compared with C\$283 in 1982.

Even so, Lac's forward sales allowed the group to exceed the market price comfortably, with last year's average realised price equivalent to US\$447 per ounce at current exchange rates.

Whatever the future course of the bullion price, Lac is happy to continue its forward sales, at least for the time being. The group has already sold about three-quarters of

## MINING GEORGE MILLING STANLEY

this year's expected output at an average price of US\$443 per ounce, which compares very favourably with yesterday's London price of around US\$380.

As Mr Peter Allee, Lac's president, has pointed out on a number of occasions, the group's capital spending on mine expansion and new developments is likely to remain high throughout this year at

least, and forward sales of the bulk of production offer protection against any further deterioration in the price of gold.

The sacrifice of most of the potential extra profit from any upturn in bullion seems a reasonable price to pay in return.

Apart from its current achievements in terms of both production and profits, Lac is concentrating on expanding its operations in Ontario and the 50 per cent-owned La Mine Doyon in Quebec, with drilling results already indicating richer ore grades in the extensions to both properties.

Beyond that, the group has substantial acreage in the exciting Hemlo gold camp in north-western Ontario, and has already outlined possible reserves of 22m short tons at an average grade of 0.2 oz (6.2 grammes) of gold per ton

هكذا عندنا القليل

William Dawkins starts a series of columns on the Unlisted Securities Market

Losing out in the computer game

THE SHARE price of Adam Leisure continues to languish in the doldrums after its recent precipitous fall, throwing into sharp relief the peculiar vulnerability of the USM to unexpected shocks.

Adam started going into freefall on January 17, when Chris Rycroft, the chairman, told the annual general meeting that Christmas trade in the hand-held electronic games which the company makes and distributes had been well below expectations. From 87p before the announcement, the shares plunged down like an attacking space invader to 40p, where they remain.

One major source of risk on the USM is that it makes little commercial sense for the larger brokers to devote a lot of time to researching smaller companies. The business is not worth the effort.

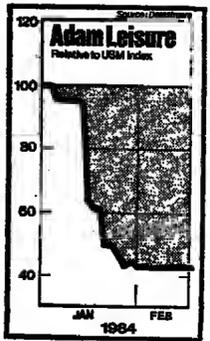
Consequently, announcements like Adam's can all too easily catch the market unawares. More recently, electronic alarm equipment maker Mumford and White sent its shares into a less dramatic tailspin—from 200p to 145p—with a surprise revised profits forecast.

Adam is exposed to another classic USM risk. Since only 20 per cent of its equity—5m shares—is available to the public, it takes very few sellers to shift the price downwards.

Added to this, Adam operates in a volatile and highly specialised sector, somewhere between toys and electronics. That is why sponsoring brokers Simon & Coates, for whom this is the only major setback in 14 USM issues, chose last May to bring Adam to the market via an offer for sale by tender, rather than the more usual placing method.

The problem for Adam last Christmas was that the big stores, which account for 75 per cent of its sales, suddenly decided to fill their toy departments with increasingly popular personal computers. Hand-held games were simply pushed out of the way, explains Mr Rycroft.

Adam's sales in the important November-December shopping months fell 50 per cent below budget and, since its overheads are mostly fixed, the bottom line has felt the impact in full. It is still too early to say whether the presence of com-



Protein from whey

QUIETLY-SPOKEN Welshman and chemistry toffin Doug Palmer spends much of his time thinking about what the Americans eat for lunch.

Palmer (53) is the head of Carmarthen-based Bio-Isolates, which has spent the past six years developing a process to extract edible protein from whey, the waste product of cheese-making. He announced last week that he is on the point of signing a \$2.5m joint venture with a Minnesota cheese factory, which would increase the group's capacity twenty-fold within a year and prove that what has been until now a risk venture could be a solid commercial proposition.

Health-conscious Americans, believes Palmer, could provide a \$120m market for his product. Bipro—a tasteless white powder which enhances the flavour of anything it is added to and is a fat and cholesterol-free substitute for animal protein and egg.

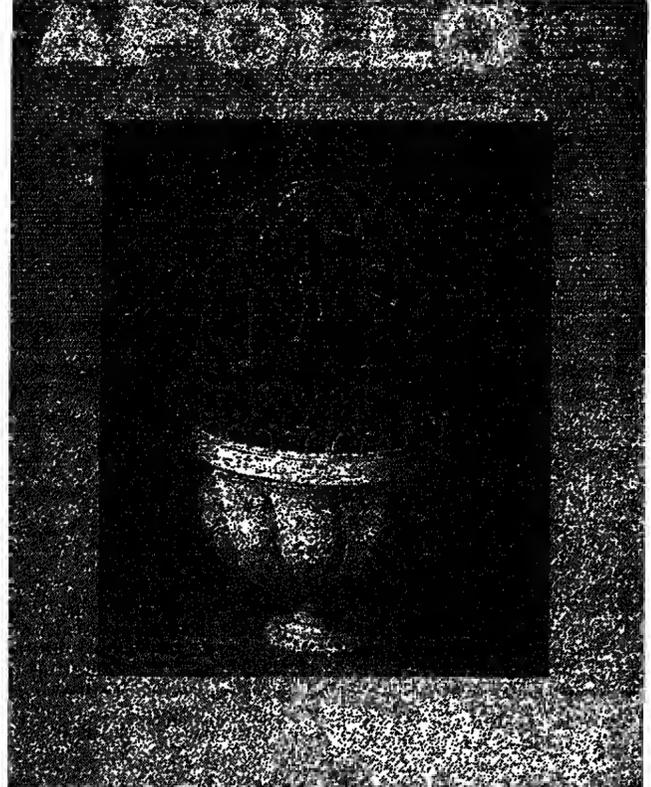
Palmer, at 5 ft 7 ins and a chunky 13; stones, is no fitness fanatic himself. "Like a lot of people, I enjoy a glass of beer,"

he admits. "But I strongly believe that we eat too many things that are bad for us. The Americans seem to be far more aware of this than the British."

The beauty of Bipro, he claims, is that it allows bad-for-you foods like macaroons, meringues and custards to be made without eggs or fat. "So the health food enthusiasts will be able to throw away their handfuls of nuts and start eating something attractive."

His wife and staff have become converted Bipro addicts. But the idea, which Palmer and two colleagues developed independently after their former employer rejected it, is still far from profitable.

Last Tuesday, the group reported a £234,000 loss on a turnover of £102,000 for the year to September 1983, sending the shares down 19p to 96p, where the company is valued at £5m. Investors have been blowing hot and cold over Palmer's gastronomic dream ever since he came to the USM 18 months ago, when the shares were offered at 33p, gradually climbed to 440p and sank back at one point last year to 63p.



The International Magazine of Art and Antiques

The March issue

- An Exhibition of Spanish Still Life by Olaya Surten
- Two American Collectors of the Pre-Raphaelites by Judith Neilsen
- Danish Silver in Iceland by Ole Vilumson Kroeg
- Wax Sketch Models for Sculpture by Charles Avery
- The Influence of Felicien Rops by Edith Hoffman
- A Goya Oil Sketch for an Officer's Portrait by Francis Muller
- The Emperor of China's Palace at Peking: A New Source of English Garden Design by Mara Miller
- A New Panel by Michele Giambono and a Reconstructed Altarpiece by Norman Lund

Obtainable from: Apollo, Minster House, Arthur Street, London EC4R 9AX Telephone 01-623 1211

Annual subscription (12 issues): UK £42.00; overseas £46.00 USA (air speeded) \$88.00; single copies, including postage, £4.00 direct from publishers

Gifts to a non-resident

My daughter has been in Kenya for 14 years, but she still seems unconcerned that her earnings are relatively small and unlikely to grow significantly. She is unmarried, not a Kenyan citizen, and will, I think, eventually return to Britain.

Meanwhile, I have made it my purpose to try to protect her future, and over the past 10 years I have been surprisingly successful in my equity investments. The problem now is to avoid CGT, and it has occurred to me that instead of accumulating funds in my own name I might do better for my daughter as her investment agent.

Shares would be purchased in her name, and it could be arranged that the relevant documents be signed by her in case of disposals.

What difficulties do you foresee in such an arrangement? Can you indicate what tax obligation might arise? My daughter has never been annually assessed for taxes in Britain, but, of course, she is subject to Kenyan regulations in this respect. Could the above proposition be satisfactorily implemented using my daughter's Kenyan address, or do you feel that my own would be acceptable to the UK Inland Revenue?

You could make cash gifts to your daughter (subject to your CGT zero-rated band) by trans-

fer into her UK bank account; she could authorise the bank to accept your instructions to buy shares by the debit of her account, and to sell them. Use of the bank's nominee company might be convenient.

As your daughter is not resident in the UK, she will be exempt from UK tax on dividends on shares in non-resident companies. If her bank nominee company is used, you should check that they will give her the benefit of the 8% arrangement. However, the withholding tax in some countries is as high as UK tax (or higher), in the absence of a double taxation agreement.

UK dividends are paid without deduction of tax, of course, and section 87 (5) of the Finance Act 1972 will protect your daughter from direct assessment to UK tax, unless her UK dividends (and any interest, etc) amount to £7,100. Whether she will be entitled to any payment of tax credit on her UK dividends (either as a non-resident Commonwealth citizen or by virtue of taxation in Kenya) depends upon the relevant facts and figures. You will find broad guidance in a free booklet IR20 (Residents and non-residents: liability to tax in the UK), which is obtainable from tax inspectors' offices. In a local reference library, you may find a copy of the Kenya-UK double taxation agreement, if they have a set of the British Tax Encyclopedia or Simon's Taxes, for example.

FINANCE AND THE FAMILY BY OUR LEGAL STAFF

Contract not to alter will

With reference to your reply to me under Contract not to alter will (February 11). If a contract is established as you suggest, which is focused on my wife's will, what flexibility of action will exist with its properties? For example a good business judgment might be to sell a property and can this be decided by my wife only, or would our son or daughter need to be involved in the decision making? Your children would have to be involved in the decision, or in formally agreeing to accept its consequences; but your wife could ensure, before entering into the contract with them, that the will was expressed so as to apply to the existing or substituted equivalent property.

VAT and building work

I have an estimate for building work which includes the insertion of a chemical damp-proof course, shown as zero-rated for VAT, and re-rendering (tanking) and a timber and plasterboard partition, all shown with VAT.

Surely the re-rendering (the equivalent of replastering in your reply to a correspondent of April 2 1983) and the tanking (continuation of the DPC from the level of the chemical injection down the inside wall to the basement floor, using a bituminous layer) are part of the DPC treatment and not liable to VAT?

The partition is to replace plaster on very uneven walls and perhaps 3 of it is part of the DPC work and is liable to VAT, being due to dry rot treatment or other work.

Also, it will be necessary for a specialist joiner to remove wooden panelling to allow the DPC to be injected, and to replace the same panelling afterwards. This is a listed

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

building and the interior woodwork is one of its best features. Presumably the removal and replacement of the panelling ought to be zero-rated as part of the DPC work, though any repairs done to the panelling would be liable to VAT?

On the assumption that the installation of your DPC is zero-rated our view is that any services or materials supplied in the course of that work will be zero-rated. This will include the re-rendering and the tanking. If the erection of the partition is partly a work of repair and maintenance and partly alteration work you should get your supplier to make a separate charge for the alteration work.

We believe that the removal of panelling to enable alteration work to be done should be zero-rated. As you state repair work is liable to VAT.

Possible CGT bonus

I refer to the answer headed possible CGT bonus (December 3). Should I sell my house I think my position would be very similar to that of your earlier correspondent who was to sell a house which at some time he had wholly let.

I am confused about the £10,000 exemption referred to in your reply. The FA 1980 S80 applies this exemption to a property... wholly or partly let... as residential accommodation... at any time... disposed of by an individual... after April 5 1980.

However, other references would seem to restrict this exemption to properties partly let and partly occupied by the owner/landlord, e.g.:

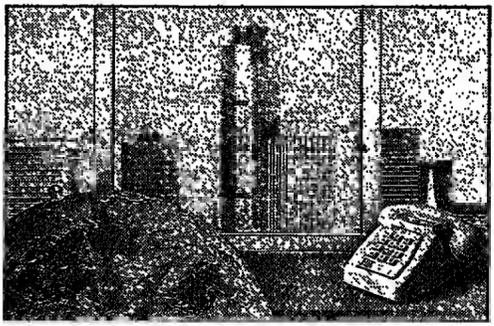
- (i) FT 27/3/80, page 21, col 1;
- (ii) FT 16/3/83 page 16 col 7 heading—"Relief for resident landlords. This item outlines the bonus to £20,000;
- (iii) Inland Revenue pamphlet CGT4, April 1983 print, page 6.

Would you explain, please, this apparent discrepancy between the FA 1980 S80 on the one hand and the budget statements and the pamphlet on the other?

As we have warned readers (in appropriate cases), pamphlet CGT4 tends to oversimplify the complex and arbitrary legislation, so do not let it discourage you. Where CGT4 promises relief, you can be reasonably sure you will get it; where the pamphlet appears to deny relief, however, you must look at the legislation to see whether any relief is in fact due. To take a fairly simple case, an illegitimate son providing a rent-free house for his aged mother would think, from looking at the top of page 9 of CGT4 (1983), that he could not get any relief from CGT if he sold the house and bought a new one for her; fortunately, section 105 (5) (a) of the Capital Gains Tax Act 1979 does not in fact deny relief in such cases.

Similarly, section 80 of the 1980 Act does, as you say, give relief in cases like yours, despite the implications to the contrary in the Revenue pamphlet. What counts is the wording ultimately approved by the House of Commons, even though this may appear to differ from what was said by the Chancellor and his or her Treasury colleagues during the passage of the Bill.

The Mercury approach to unit trusts:



applying the global view to the local investment.

Investment management is nowadays very much an international business. Events in one of the world's stock markets can have dramatic repercussions in the others and it is important, even when managing a fund specialising in one specific market, to have access to investment expertise on a world-wide basis.

It is just this expertise that is offered by Mercury Fund Managers.

Mercury is part of S.G. Warburg & Co. Ltd., which is responsible for over £5,000 million of funds invested in the UK and overseas and which, as one of the UK's largest and most consistently successful international fund managers, is in constant contact with markets around the world.

With all our teams based in London, at the centre of the world's financial networks, the results of our analysis of international markets and currency projections are constantly available to our fund managers.

This produces a system of investment management which backs the individual fund manager with in-house research on economic trends, currencies and interest rates—as well as on companies and sectors—while making him responsible for sifting this advice and for the selection of individual shares.

The result is a combination of coherent strategic thinking and flexibility in its application to the purchases of individual shares that, we believe, provides the basis of our consistent long-term success.

If you feel that you could benefit from this professional approach, you should consider the Mercury range of unit trusts:

- Mercury American Growth Fund
- Mercury European Fund
- Mercury General Fund
- Mercury Gilt Fund
- Mercury Income and Recovery Fund
- Mercury International Fund
- Mercury Japan Fund
- Mercury Exempt Fund

For full details of these funds, and our other investment services, contact Peter Rees at Mercury Fund Managers Ltd., St. Albans House, Goldsmith Street, London EC2P 2DL (telephone 01-600 4555).

**QUALITY HANDKNOTTED CARPETS**

FINE TRIBAL & TOWN LOOMS CARPETS  
SUPERIOR PAKISTAN & INDIAN CARPETS  
SOME EXCEPTIONAL SILK RUGS OF ART AND WEALTH CLASSIFICATION

Direct Importers and re-Exporters incorporated in 1954—in The City at 120 Bishopsgate EC2  
At the time exporting from Her Majesty's Customs Bonded Warehouse, Cutler Street, EC2.

With established export markets since that date in USA, Canada, Australia, South Africa and Continent of Europe.

**PUBLIC AUCTION**  
IN REDUCTION OF INVENTORY LEVELS  
TO PRODUCE IMMEDIATE CASH FOR  
URGENT INTERVENTION PROGRAMME

At AIR EIGHTY ONE WAREHOUSE (op. Heathrow south side)  
UNIT 8, Blackburn Trading Estate, Northumberland Close, Stanwell, nr Staines, Middlesex. [opposite Heathrow Airport (cargo terminal end) M25 2 mins from A30]  
On Sunday 19 February at 12 noon sharp - Inspection 11am  
Iranian Carpet Brokerage Ltd,  
144-146 New Bond St, London W1

**SAVINGS OFFERS**

	Page
Wardley Unit Trust Managers Ltd	1
Mercury Fund Managers Ltd	5
The Association of Investment Trust Companies	6
Barlow Clowes & Partners	7
John Govett Unit Management Ltd	7
The M & G Group	14

**Today's Rates 10 1/2% - 11 1/2%**

**3i Term Deposits**

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 2.30pm are as set out for the terms shown:

Term (years)	3	4	5	6	7	8	9	10
Interest %	10 1/2	10 3/4	10 1/2	11	11	11	11	11

Deposits to and further information from the Treasury Investors in Industry Group plc, 91 Waterloo Road, London SE18 1JQ. (01-473 7822 Ext. 200). Cheques payable to "Bank of England, a/c Investors in Industry Group plc".

**UK CONVERTIBLE STOCK 18/2/84**

Statistics provided by DATASREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates†	Flat yield	Premium‡		Income				
						Current	Range‡	Equi	Conv.	Div.‡	Current	
British Land 12pc Cv 2002	9.60	368.00	383.3	80-82	3.3	-4.8	-7 to 1	45.5	65.8	5.3	10.1	
Manson Trust 9 1/2pc Cv 01-04	81.54	288.50	180.7	85-01	3.8	0.5	-5.4	-8 to -1	167.9	74.7	-34.1	-28.7
Slough Estates 10pc Cv 87-90	5.05	260.50	234.4	78-85	3.9	-11.1	-12 to -4	18.7	9.3	-3.2	7.9	
Slough Estates 8pc Cv 91-94	34.72	120.00	97.5	80-89	6.7	4.9	-1.5	-3 to 3	26.7	30.1	2.8	4.4

\* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible stock expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is assumed from present time until income on ordinary shares is greater than income on £100 nominal of convertible stock at the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible stock, income is assumed until conversion and present valued at 12 per cent per annum. ¶ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ¶ Is an indication of relative cheapness. - Is an indication of relative dearthness. † Second date is assumed date of conversion. † This is not necessarily the last date of conversion.

The Mercury approach. It pays.

Mercury Fund Managers-part of S.G. Warburg & Co. Ltd.

Member of the Unit Trust Association.

**HOUSE PURCHASE**

Andrew Taylor looks at proposed changes in laws of interest to house buyers

# Ending the conveyancing monopoly

EACH YEAR about 1m families move home in the UK. On average families will move at least once every seven years. For these life may become just a little easier and cheaper as a result of government plans to speed up house transfers and to end the solicitors' monopoly on house conveyancing.

Mr David Tench, solicitor and legal adviser to the Consumers' Association, says conveyancing fees could be cut by up to a third as a result of the measures.

The Consumers' Association was the principal architect of a Private Members' Bill, last year, seeking to end the solicitors' monopoly. The Bill, proposed by Mr Austin Mitchell, MP for Great Grimsby, will be withdrawn following the announcement of the Government's plans.

New legislation might be expected to cut house buyers' fees in two ways:

- By allowing non solicitors to compete for conveyancing work. A committee under Professor Harry Street of Manchester University is to be established to decide who should be allowed to do conveyancing work and what safeguards might be needed.

- By simplifying conveyancing procedures. A key element will be to speed up the extension of the land registry which is

presently estimated to cover only 1m out of a possible 19m homes in England and Wales. Solicitors are coy about discussing how much they charge for conveyancing work. They say prices can vary substantially depending on the circumstances. However charges are normally between 1 and 2 per cent of purchase price.

The Consumers' Association says that last November it asked 11 out of 20 solicitors' firms in Grimsby how much it would cost to handle a £38,000 freehold home and a £23,000 leasehold house.

In the case of the £38,000 home, charges quoted ranged from £482 to £590. For the £23,000 home, costs varied from £420 to £440. On top of this purchasers might have to support estate agents' fees (paid by the seller of a home and normally around 3 per cent of sale price); removal costs and stamp duty (£570 in the case of a £38,000 purchase).

"Prices quoted by the Grimsby solicitors provide a guide to the sort of conveyancing costs purchasers might face. But charges do vary around the country. For example in London, where there are a great many more solicitors and more competition, prices might be lower," said the association.

"Nonetheless we believe that



Austin Mitchell, MP for Great Grimsby

provided a home is on the land registry and the title is not clouded by matters such as the sellers getting divorced there is scope to reduce conveyancing fees by up to a third."

The Law Society which yesterday gave a grudging welcome to the Government's proposals has always argued that the public is paying for the expertise to recognise and resolve serious legal problems when they arise.

The Law Society says delays are often caused in the interests of clients who need to synchro-

nise the sale of one house with the purchase of another.

"Timing of a deal can depend upon the successful conclusion of as many as 10 separate transactions," says Mr Graham Lee, secretary for professional development for the Law Society. He adds that competition between solicitors has already led to an average 13 per cent decline in real terms in conveyancing fees since 1973.

The Consumers' Association says plans to speed the Government's work on the land registry will also help reduce conveyancing costs. The registry guarantees the title of all properties covered by its records. This reduces the work solicitors have to do to check titles.

Titles on unregistered properties have to be checked each time they are purchased.

The Association says although the land registry was started in 1862 many areas are still not covered. These include Colchester, Cheltenham, Basingstoke, Great Yarmouth, Harrogate, Lancaster, Stratford-upon-Avon, Scarborough, Swindon and Winchester.

Building societies are perhaps the most obvious candidates to challenge the solicitors' monopoly on conveyancing. However societies appear to be embarrassed rather than

enthusied by the prospect.

Despite attempts by societies to persuade the Government to allow them to provide their services few seem likely to want to take on conveyancing work.

Mr John Bayliss, general manager of Abbey National Building Society, best sums up the mood of the movement: "We've always said we wanted to see conveyancing made cheaper and easier. We never said we wanted to do it." Abbey said it welcomed the Government's move but wanted to "work with solicitors not against them."

Halifax, the country's largest building society, is one of the few societies to have shown an interest in providing a basic conveyancing service although it says societies could not provide the sophisticated advice and services provided by a good local solicitor.

However there are some organisations and individuals waiting in the wings to compete with solicitors. The National Institute of Conveyancing Agents, one such body, yesterday welcomed the Government's decision "that solicitors shall cease to be able to claim the protection of an unjustifiable monopoly."

Solicitors particularly those in small local practices which earn a large slice of their income from conveyancing, will not share this delight.

# The lesson of Signal Life

LAST WEEK, a judgment was given in the county court at Lincoln that has serious implications for all intermediaries selling life assurance and offering personal financial planning advice.

Judge Hutebinson ruled that an insurance intermediary had been negligent in advising a client to buy a Signal Life Gilt Bond. He awarded damages equal to the amount of investment, plus interest, plus costs.

Signal Life was a Gibraltar-registered life company, but its products were marketed solely in the UK through a marketing company, Hanover Financial Services. Its main products were a Gold Bond, with the underlying investment being in placer gold mining in the Yukon and a Gilt Bond where the investment medium was kept vague in the brochure.

Signal Life collapsed and its affairs are being investigated by numerous official bodies. As yet no one knows what happened to the Gold Bond money, while the Gilt Bond money was invested in worthless Weimar Republic Bonds issued in the 1920s by the then German Government.

However, Hongkong and Shanghai Bank were trustees to the Gold Bond and bondholders were paid out in full on their investment, including interest payments. But there was no trust for the Gilt Bond.

When Signal Life was put into liquidation, the investors who bought Gilt Bonds formed the Signal Life Investors Action Group (SLIAG) with one bond-

holder, John Potter as its leader, to seek legal means of getting reimbursement.

Its main targets were the intermediaries who sold those Gilt Bonds and last week's court case at Lincoln was the first SLIAG backed action to be tried.

David Craven, a television engineer living in Grimsby, invested £1,500 in Signal Life Gilt Bonds sold to him in June 1982 by Lawson Insurance Consultants also based in Grimsby. Craven, with the support of SLIAG, sued Lawsons for negligence.

Because Signal Life was not authorised to transact business in the UK, it was not subject to the UK authoritative control, neither did the rescue provisions of the 1975 Policyholders Protection Act apply.

David Lawson, the principal director of the consultants, admitted that failure to tell a client that the Signal Life bond was not covered by UK legislation would be a breach of duty to his client.

David Lawson told the judge that he had made this lack of protection clear to his client. But Craven denied that he had been told that Signal Life was not subject to British control.

The judge, accepting Craven's evidence, commenting that it would be inconceivable that Craven would not have taken independent advice if he had been told that he could not recover his money if Signal Life failed.

The judge also held Lawson negligent for failing to check the soundness of the offer with adequate thoroughness, in view that it was an offshore company and the bond offered a yield of 14 1/2 per cent net of basic rate tax.

Lawson had accepted assurances from Patrick Curran, the managing director of Hanover Financial Services, that the Hongkong and Shanghai Bank were trustees to the Gilt Bond, since it was trustee to the Gold Bond. The judge said that it would have been commonsense

to ask the bank directly if it was guaranteeing the Gilt bond, but Lawson did not.

Judge Hutebinson found that Lawson had been negligent and failed to meet his duty of care to the customer. He awarded damages of £1,500 plus interest at 12 per cent (the maximum allowed) from June 2, 1982, plus costs, which were put at £4,000.

Lawson has professional indemnity cover for £250,000. But he says that he is having problems with his insurers over his claim. This is serious for him, since he has sold nearly 500,000 of these bonds to seven clients, the largest being for £20,000. The other six are taking legal action to recover their money.

He is considering an appeal. He is also trying to sell his business and might have to consider the possibility of liquidation.

The immediate effect of this judgment is that a spate of similar legal actions could follow. A bondholder in the Midlands apparently has obtained a legal aid certificate to begin proceedings.

The lesson for intermediaries is obvious. High returns mean high risks and the returns from Signal Life were way above anything that a UK authorised company could offer. Intermediaries ignore this old adage at their peril. They need to check the companies they recommend and the products they are selling.

The Government may make their task easier for intermediaries since it is considering banning the soliciting of business in the UK by such companies.

The other lesson is to explain contracts fully to clients and follow up in writing. The British Insurance Brokers Association would like clients to sign a statement saying that they understand the implications of investing with an offshore life company.

Eric Short

# Investment Trusts. The early birds.



When it came to investing in North Sea Oil and microchip technology, Investment Trusts got in right at the start and caught an extremely lucrative worm.

Investment Trust managers have the ability to invest early in important projects like these, as well as retaining the safety of a spread of investments. They can invest in unquoted companies, management buy-outs, venture capital opportunities and property and these can mean big gains for investors.

So big, in fact, that the 5 year performance of Investment Trust shares has on average not only outstripped the FT All-Share Index, but Unit Trusts as well.

Find out how the expertise of the early birds could help you feather your nest. Send off for a free copy of our booklet 'More for your money' today.

**AITC** The Association of Investment Trust Companies  
Your shares of the action.

For more information on Investment Trusts and stockbrokers who deal with private clients please send for our free booklet 'More for your money'. (Block capitals please.)

Please send me \_\_\_\_\_ copy/copies.

Name \_\_\_\_\_

Address \_\_\_\_\_

FT81

If you are an investment adviser, please indicate your profession: Stockbroker  Accountant  Solicitor  Insurance broker  Banker  Other investment adviser

To: The Association of Investment Trust Companies, FREEPOST, Dept: CB, CIRENCESTER, Glos GL7 1BR. (No stamp required.)

# Going offshore

FOREIGN and Colonial Management has the distinction, among other things, of having the only truly specialist European investment trust left in the UK—F & C Eurotrust. The others that were floated in the early 1970s in the euphoria of EEC membership have long since moved on.

Now F & C is forming an offshore stablemate for Eurotrust with Luxembourg-based F & C European Fund. It is not aimed at UK or U.S. residents but could interest expatriates or non-tax paying British institutions as well as European investors.

The European Fund has been moving along quietly for a month or so—F & C cannot go out and actively promote it in the UK unless the managers fancy a stay as a guest of Her Majesty—and so far around 200,000 shares have been issued to investors.

Now F & C is getting a Luxembourg stock exchange listing for 1m shares at a price of US\$10 each. Because the fund has the ability to buy its own shares, it will to all intents and purposes be an open-ended fund with the share price directly related to asset value, much the same way as a conventional British unit trust.

Of the cash raised so far, around 70 per cent is invested, with the balance held in D-Marks. Initially the concentration of effort has been on Dutch, German and UK equities with the portfolio tending to follow along the lines of the UK quoted Eurotrust.

In the past year Eurotrust has been riding the upswing in European markets with an asset increase of around 35 per cent while on the stock market its price has risen by over 60 per cent, whittling a 22 per cent discount to assets down to nothing.

The two funds' portfolios will have a great deal in common but as the European Fund becomes further established the capital growth rather than income.

The ambition is to direct investment into small companies, hopefully with good growth prospects, and to other markets such as Italy, Switzerland, Scandinavia, Spain and so on. The "wealth warning" is that investing in small stocks traded on small markets inevitably carries much greater risks as well as potential for higher rewards.

Terry Garrett

# WHERE WERE YOU WHEN BELLAIR WAS 18p?

It was in November, 1981, that the Penny Share Guide first recommended Bellair at 18p. This was followed up in October, 1982, with a further recommendation to buy, this time at 24p. Recently it has been over £12, a rise of many thousand per cent to become the outstanding share in 1983. It was all rather similar to the case of Polly Peck, which was also recommended in P&S at 18p, two months running, and is today over the equivalent of £27. That is the true potential of penny shares.

For penny shares are an area where the small private investor really can score: first of all because they're invariably too small for the big institutions to bother with... until they have got in, but then they're a real opportunity for the small investor to get in first for a change. Second, because, let's face it, however good a 'blue chip' it is, it is literally impossible to make a fortune out of a small investment in a leading share. To do that you have to buy shares that are priced relatively cheaply.

... sell them and then successfully 'switch' into another penny share. That way it is at least theoretically possible. In 1983 every single one of the ten outstanding shares of the year amongst companies capitalised at below £5m were, or had all been, penny shares on January 1 of the year. (The year was 1982, not 1983.)

... 1982 performance when 5 of the top 10 had been penny shares (sources for figures from FT Database, 7th Quarter). But the real point of this penny share performance is its logic and also, it would seem, its sheer consistency.

If you had followed the Penny Share Guide's advice (given two months running) to buy Polly Peck at 18p with a £1,000 investment... and then, let's suppose, you had sold it at the recent high of £30... you could have made £10,000, not a million, but well on the way. Alternatively, you could have bought Bellair, again you could have made a small fortune. Of course, penny shares are not for your emergency savings and not all penny shares perform like that, but at least one penny share, the small investor (or the large investor using a small part of his funds) stands a good chance of performing well. It's a possibility! Don't miss this chance to get in on the exciting area of the stock market, send today for FREE details.

To Penny Share Guide Ltd., 3 Fleet Street, London EC4Y 1AU.  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Post code \_\_\_\_\_

Please send me details of your FREE TRIAL OFFER. FT 12-12

## A Capital Investment

**EASY ACCESS BOND 8.75% = 12.50%**

ONLY £500 MINIMUM INVESTMENT (one year term)

Your investment earns 7.75% (11.07%\*) plus a 1.00% bonus on the balance of your account at the end of the one year term. Immediate withdrawals available.

**THE LONDON PERMANENT BUILDING SOCIETY**

FREEPOST 14 Tuffen St. London SW1P 0BR. Tel: 01-222 3361

Please send me full details of all your accounts. No postage stamp required.

Name/Title \_\_\_\_\_  
Address \_\_\_\_\_

FT20

Handwritten signature or mark.

WORLD STOCK MARKETS

# Jumping beans in a market south of the border

**WILLIAM CHISLETT**  
assesses a small but volatile market in Latin America

THE MORE adventurously inclined investor in foreign securities would be well advised to study the curious phenomenon of the Mexican Stock Exchange which is enjoying an unprecedented boom in stark contrast to the economy as a whole.

The country's bourse was the best performing market in the world last year. The 42 stock price index rose from 676 to 2,452, an increase of 262 per cent. Early this year the market broke through the 3,000 mark. Posh fortunes are being made and lost on the small and volatile market whose capitalisation for the 103 most actively traded companies is 506bn pesos (\$3bn) compared to \$15bn in 1979 before the multiple devaluations of the peso.

The present market capitalisation is "half the value of a nuclear submarine" in the words of one stock broker. Or in more traditional terms the capitalisation of just one medium to large sized company on the New York Stock Exchange. Average daily trading is \$m to 10m shares which is a tiny fraction of the volume traded on the New York Exchange.

The best way into the Mexican market is through the Mexico Fund which is listed on the New York and London Exchanges and allows investment in all 215 listed companies. Otherwise access for the foreign investor is limited to about one third of the 103 most actively traded stocks which include associates of foreign companies like Union Carbide de Mexico and the Mexican concern, Industrial Penoles, the world's largest silver mining company and one of the market's stars.

However, before plunging in the foreign investor should be aware that Mexico has had exchange controls since August 1982. While there are no restrictions on exchange inflows, outflows are controlled by the Government through the nationalised banking system and depend on exchange availability at any given time.

This has led to the development of a flourishing "parallel" Peso/Dollar market based in New York, Chicago and San Francisco where currency quotations have risen as high as 10 per cent over the official market rate.

Why is the Mexican market so bullish when the country's economy is suffering its worst recession in 50 years? The short answer is that the market is reflecting the aberrations caused by hyperinflation and the heavy devaluation of the Peso. Demand for stocks has increased out of all proportion to their supply.

The market is also highly susceptible to expectations of an economic recovery, now underway. And the mining sector, which has a strong weighting in the overall index, has greatly benefited from the 600 per cent fall in the value of the peso since most of its sales are Dollar denominated.

After the market hit its low of 500 in August 1982, the month of Mexico's economic collapse, international silver prices began to increase at the same time that the Peso became the subject of intense speculation.

The underpriced market, with

over half the most actively traded stocks selling for less than a dollar, began to be affected by favourable economic news—lower inflation and astonishing balance of payments results.

The market's volatility was amply demonstrated on January 23 when the index rose 224 points after the Bank of Mexico announced a 3 per cent drop in interest rates. However, not all stocks have proved to be profitable. An investor who sold dollars to buy shares at its heyday in Grupo Alfa, once the flagship of the private sector and now in deep financial waters, has converted dollars five into 1.6 cents—and had his stocks suspended from trading into the bargain.

Surprisingly, given the opportunities and the Mexican's penchant for gambling, there are only about 75,000 investors in the Mexican market. Stock ownership is impossible to define because heavier shares

are widespread. (These will be switched to registered shares this year.) The best estimate is of a 50:50 breakdown between personal and institutional ownership.

This figure however must be understood in the light of the fact that all companies are controlled either by a single individual or a group of persons or organisation on an average only 20 per cent of stock is freely traded.

Individual investors are mainly wealthy individuals. The middle-class prefers to put its money into safe fixed income securities like Cetes (treasury bills).

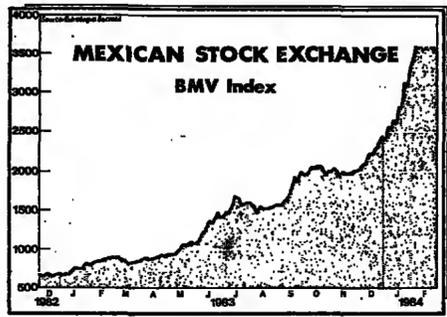
The true state of the economy as opposed to the misleading image given by the stock market is reflected in the low level of dividends. There have also been no new issues in the last two years after a record 33 in 1979 during the previous stock market boom.

The main source of investment capital has been the foreign banks as the requirements of companies for capital cannot be met by Mexican banks. Mexican banks, however, have played a key role in the development of the Stock Market with nine of them owning brokerage houses.

These nine houses came under the Government's control when the private banking system was nationalised in September 1982. The brokerage houses are expected to be returned to the private sector in the near future along with shares held by banks in some 400 enterprises including equity stakes in nearly all of the 103 most actively traded stocks. Trading of the banks' shares in companies has been suspended since the nationalisation.

What are the prospects for growth this year and will the bubble burst? Leading analyst like Mr Timothy Heyman, a former Rothschild man who became enticed by the Mexican Stock Exchange and now works for Estrategia Bursatil, believe that the market still offers good opportunities. But he says: "The game will not be the same as in 1983. We will be looking for evidence of real recovery as opposed to the hope of it and a factor of uncertainty still exists in the form of the listed non-banking assets of the nationalised banking system."

Investors who decide to give the Mexican market a chance will be pleased to know that there are no taxes at all on exchange dealings.



	February 4 1983	February 3 1984	% Gain
Camesa (Associate of Bridon)	20.5	665.0	3144
Hulcent	29.5	740.0	2408
Ericson	4.0	90.0	2150
Kelsey	5.1	114.0	2135
Penwalt	28.0	625.0	2132
Tremec	2.7	56.0	2013
Gisa	9.5	188.0	1878
Nacobre	14.0	268.0	1814
Acco	53.0	990.0	1767
Contal	19.0	304.0	1500
Moderna (Associate of British American Tobacco)	34.0	490.0	1341

Average Gain of Above: 2094 per cent.

# Gilt-edged look back in favour

**PHILIP STEPHENS**  
reports on the recovering fortunes of Government securities

INVESTORS WITH memories stretching back a decade or more might well recall from the idea of buying gilts. The days when governments rubbed their hands in glee as inflation consistently outstripped the interest they paid on gilt-edged stock will be hard to forget.

Despite lingering doubts, however, the performance of the gilts market over the past two years — when low inflation has been combined with relatively high nominal yields — suggests that for some investors, at least, now might be the time for a reappraisal.

But first those past horrors, which are graphically illustrated in the latest annual review of brokers De Zoete & Bevan.

Based on a long-dated gilts fund running back to 1945 the broker calculates that investment in gilts would have produced a real return in only 15 out of the past 38 years.

A £1,000 investment in 1945, with all income re-invested, would be worth only £5,363 in 1983, and average yearly real losses once inflation is taken into account are 2.2 per cent.

In contrast, the same £1,000 placed in equities, with gross income re-invested, would have mounted up to £65,449 and given an average real return of 4.4 per cent a year. The investor who placed his cash in Treasury bills would have ended up with £9,505.

The picture, however, now seems to be changing. Gilts have given a positive real return in both of the past two years, and present nominal yields look certain once again to out-strip inflation by far in 1984.

The strong performance in

1982, in particular, when a sharp fall in yields brought large capital gains, means that over the last eight years De Zoete and Bevan's gilt fund has increased by 5.8 per cent a year in real terms.

Assuming a neutral capital performance this year, nominal yields of around 10 per cent offer the prospect of the longest unbroken run of real returns in gilts since the 1930s.

Mr Stephen Lewis, chief monetary economist at broker Phillips and Drew, expects yields to remain more or less stable over the next year, with two opposite forces producing a rough equilibrium.

Continuing successes in the fight against inflation should in theory bring nominal returns down, but he has anxieties about the growth of the money supply, and the prospect of interest rates remaining high in the U.S. will operate against any declining trend here.

The view that gilt-edged will offer a consistent return above the rate of inflation as long as retail prices do not suddenly spiral upwards is shared by Mr Malcolm Roberts, chief economist at Laing and Cruickshank. He says that investors should not expect an exciting market in gilts, but with yields at 10 per cent and above and most forecasters convinced that the Government is serious about holding down inflation they are a "good risk-free buy."

The real return on index-linked gilts—currently at 3 per cent and above—should also provide a floor for returns in conventional stocks.

None of this is to suggest that gilts will outperform other investments, or that equities may not remain the best long-term hedge against inflation. It does seem, however, that the days when governments could get away with paying negative real returns on gilts are, at least temporarily, over.

NEXT WEEK: the Canadian market

# JOHN GOVETT Unit Trusts

## Specialist unit trusts for serious investors

**Govett Gold & Minerals Fund**  
Launched in October 1983, the Fund aims to produce capital growth principally through investment in companies involved in the exploration for and the financing, mining, and production of gold and other precious and base metals and minerals. Up 11.8% since launch.

**Govett Japan Growth Fund**  
Up 30.4% since launch in July 1983. The Fund is currently investing in electricals, engineering, consumer and leisure stocks, with emphasis on quality. The Managers believe that future investment prospects in Japan are highly encouraging.

**Govett European Growth Fund**  
Launched September 1980.

To: John Govett Unit Management Limited, FREEPOST, London EC2B 2LP. Tel: 01-585 5620.

Please send me details of:

Govett American Growth Fund  Govett Japan Growth Fund   
 Govett Gold & Minerals Fund  Govett European Growth Fund  Share Exchange Plan

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_

# HERMÈS SALE

Monday 20th February to Saturday 25th February

**HERMÈS** REDUCED  
Silk Scarves from £55 to £35

**HERMÈS** REDUCED  
Silk Ties from £26 to £17

Substantial reductions on couture, furs, handbags and other items.

155 NEW BOND STREET LONDON W1Y 6PA TEL: 01-499 8856  
 3 ROYAL EXCHANGE LONDON EC4V 3LL TEL: 01-626 7784

# TAX SHELTER FOR OFF-SHORE TRUST INCOME

If you are resident but not domiciled in the United Kingdom and are subject to U.K. income tax on your income from an Off-Shore Trust and are keen to reduce your U.K. tax liability, then write in the first instance for further information to:

Hill Dickenson & Co.  
 Irongate House  
 Dukes Place  
 London EC3  
 Ref MGE

# NEW TOKYO INVESTMENT TRUST PLC

Highlights from the 1983 Annual Report

- Further substantial progress in 1983. Net assets rose by 99.4%, the second best performance in 1983 of all investment trusts monitored by the A.I.T.C.
- A policy of profit-taking was implemented in the high technology sector.
- Reinvestment has been made in hitherto unfashionable sectors and the portfolio is now more weighted towards the retail sector.
- Small and medium sized companies in Japan are now actively upgrading their capital spending programmes.
- The recent alteration to the listing requirements for stocks traded on the 'over-the-counter' market and the second section exchanges should widen the investment opportunities available to the company.
- The objective of New Tokyo Investment Trust plc is to achieve long-term capital appreciation through investment in the securities of small to medium sized Japanese companies.

# CRESCENT JAPAN INVESTMENT TRUST PLC

Highlights from the 1983 Annual Report

- 1983 was a year of outstanding growth. Net assets increased by 70.1%, the fourth best performance in 1983 of all investment trusts monitored by the A.I.T.C.
- The emphasis on high-rated electronics and technology sectors is being progressively reduced.
- Reinvestment is being made in the consumer and capital spending sectors which are the likely beneficiaries of the large increases in production and corporate profits expected in 1984.
- Investments have been made in four companies listed on the 'over-the-counter' market.
- A capitalisation issue of four new ordinary shares of 50p each for every one held by members on the register on 26 March 1984 is proposed.
- The objective of Crescent Japan Investment Trust plc is to achieve long-term capital appreciation through investment in Japanese equities.

# Man from the Pru gets motorised

THE MIGHTY Prudential Assurance Company is rushing into motor-cycle insurance, an area where the established motor insurers fear to tread.

This week it linked up with Yamaha, one of the big four Japanese motor-cycle companies,

to underwrite a special motor-cycle insurance scheme tailored to meet the insurance needs of modern motor-cycle riders.

Deals between motor or motor-cycle manufacturers and insurance companies are now becoming very common. Suzuki,

another of the big four linked up with Crusader Insurance a few months ago.

Deals of this nature carry several advantages over motor-cyclists making their own insurance arrangements when they purchase a machine.

As far as the dealer is concerned, he has a useful sales aid. Most people regard arranging insurance as a chore, and if a ready-made insurance policy, backed by a brand name, is offered at the point of sale, then they will take it.

This new scheme is only available through Yamaha dealers. A motor-cyclist who buys his machine other than through a registered dealer has to make his own arrangements.

From the motor-cyclists' standpoint, these group insurance schemes provide lower premiums than with making individual arrangements would.

The underwriter may be able to take a slightly more relaxed view of the risk because he has a much wider pool of people. But the main savings come from easier administration and less marketing. The selling of this plan will be done by the Yamaha dealers, not the Pru. The dealers receive 5 per cent commission for their efforts, with the insurance brokers which put the scheme together, Willis Faber, another 2½ per cent.

In most cases the dealers will be able to arrange the insurance on the spot, collecting the premium and issuing the cover note. The premium can be paid direct or included in the Hire Purchase arrangements.

However, the effectiveness of any insurance arrangement rests with the ease and speed with which claims are settled. This new plan is designed to meet these requirements through Pru's UK general insurance branch network, again using the dealers as the focal points for dealing with and settling claims.

The premium structure of this scheme is based on engine size, the age of the motor-cyclist and the area in which he lives. Premiums for motor-cyclists living in London, Liverpool and Glasgow are approximately 25 per cent higher than the rest of Britain.

The underwriters have taken into account the success of the legislation introduced last year by the Department of Transport concerning learner drivers. These prevent learners from using high powered machines



and impose more stringent driving test regulations.

Percy Knight, Pru's motor manager, stated that the legislation had reduced road accidents involving learners and would lead to a significant reduction in the number of claims. Thus the Pru was actively seeking to expand its motor cycle insurance business.

This represents a major change in direction for insurers. In recent years they have been cutting back on business because of adverse claims experience, especially from teenage learners.

Thus under this scheme, a 17 year old motor cyclist with a 125cc restricted learner bike, living outside the major cities, will pay £150 for fully comprehensive cover or £75 for third party, fire and theft. If he arranged this cover on an individual basis with the Pru he would be charged £405 for fully comprehensive cover and £243.75 for third party fire and theft.

Such is the effect on underwriters' thinking of the new legislation. One feels that premium rates for 17 year olds will be revised downward, in the light of claims experience. No one could justify such a differential as given above.

But there are considerable premium savings for the experienced motor cyclist.

A 25 year old motorcyclist with a 350cc machine and one year's claim free insurance would pay £78.50 for comprehensive cover against £143.10.

One can foresee a massive expansion in insurance schemes arranged between motor manufacturers and insurance companies offering dealer based insurance schemes.

Eric Short.

# A guaranteed monthly income from gilts.

**Portfolio 30**

Now, thanks to Portfolio 30, basic rate taxpayers can achieve a high guaranteed income without deduction of income tax — with these major advantages:

1. Absolute security of your capital.
2. Up to £5,300 a year income — free of tax.
3. Prompt payment of income.
4. Easy withdrawal.
5. Full refund of initial investment guaranteed at your selected maturity date.

Here are just three examples of the guaranteed income you would have received based on Stock Exchange closing prices on 13th February, 1984 for an investment of £10,000:

Year of Capital Requirement	Monthly Income	Quarterly Income	Half Yearly Income	Yearly Income
Stock A (1988)	£81.09	£243.26	£486.52	£973.04
Stock B (1992)	£88.10	£264.30	£528.60	£1,057.20
Stock C (1995)	£93.94	£281.82	£563.64	£1,127.28

For a personal quotation with no obligation whatsoever, simply complete and return the coupon without delay.

**Barlow Clowes & Partners**  
Gilt Edged Specialists

To: Barlow Clowes & Partners, Watford Court, Throgmorton Street, London EC2N 2AT. Tel: 01-588 0838 (24-hour answering service).

Please send me the details of Portfolio 30, together with a personal quotation of the income I can expect to receive.

Income required Monthly  Quarterly  Annually

Amount available for investment £ \_\_\_\_\_

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

# A slice of the cake—now!

BY JUNE FIELD

**PUT YOUR** home on the market now if you really want to sell; don't wait until everyone else does and there is a glut of properties to compete with. This is the message most estate agents are now putting across, particularly for country houses.

In simple terms this means that for many agents the lack of quality stock is becoming a problem. And with more and more agents expanding, there is less of the cake to go round.

Andrew Grant of Foregate Street, Worcester, who recently opened a branch in Stourbridge on the outskirts of Birmingham, and who is currently negotiating for another practice, reports about 100 fewer new instructions this year compared with February 1983. "And there is a general improvement across the board in all price ranges," says Mr Grant, with demand considerable in the four-bedroom, two-bathroom "executive market" home in the country.

As examples he quotes The Shrubbery, Hartlebury, and Doverdale Manor, recently on offer at £140,000 and £170,000 respectively. There was spirited bidding for both, with prices achieved considerably above the original figure," he says.

Attracting interest now is the 1920s-bullit Hilton House in seven acres in the Malvern Hills, where offers over £145,000 are being sought.

Mr R. T. N. Ward-Booth of

Sworders, North Street, Bishop's Stortford, Hertfordshire, urges: "It is well worth placing your house on the market in the early spring to benefit from current demand, and before the possible soaking up of available mortgage funds."

Newly appointed chairman of Pearsons, Mr Roger Pearson, reports that sales in its Farnham office are at their highest. "But there is a distinct shortage of property over £100,000, which is very frustrating for many would-be purchasers, some of whom have been searching for a whole year for what they want."

Pearsons, with 34 offices in southern England, is now one of the largest agents in its area, and it is currently involved in a programme of expansion with particular emphasis on further residential offices.

In the south-east where Hampton and Sons has recently opened new offices in Esher and Sevenoaks, the firm is finding that would-be sellers are adopting a "wait-and-see" attitude. Hampton's Stephen Perks considers this understandable, as there is such a strong interest in buying in the higher price levels, particularly in the £250,000 range.

He feels that an upsurge in property values cannot be held back for long. "With building land scarce, planning decisions slow, and construction costs rising, there is little doubt high-income earners appreciate that investing in top-of-the-market property, even at today's prices, is a sensible thing to do. In the majority of instances the place

being bought could not be replaced at anywhere near the current value."

Whiteheads, the 30-office firm which incorporated on October 1 last year as Whiteheads Property Services plc, believes that the market could peak. "But it is our experience that homeowners react too slowly to a market improvement, and fail to put their homes up for sale early enough to benefit from any peak in house prices," observes chairman Nigel Stephens in the company's report. The Property Market in Sussex and Hampshire (Available from Mr Stephens, Whiteheads, 52 South Street, Chichester, Sussex).

Reports from the 13 residential offices of King and Chase-more in West Sussex, reveal a widely variable market. Their Property Review (free from Fenwick Scott, senior partner, Ring and Chase-more, Richmond House, Carfax, Horsham, Sussex), shows that country houses are selling well, but equivalent priced sea-front properties have been slow to move.

This applies particularly to anything over £100,000 along the coast-strip. Worthing to Bognor, so there is some stock of these houses where reductions are beginning to appear. And, come the fine weather, sea-side homes must surely be in demand.

In spite of diminishing registers, specialist country home departments are still being formed by existing agencies. "There is a certain kind of cachet for some buyers in the feeling that the properties they



Derrim Cottages, Grade II listed, in Perham, south of Canterbury, is typical of the mid-14th century. It has 3 bedrooms, bathroom and an original bread oven. The thatch is being renewed in June. Offers in the region of £47,500 through Christopher Calcult, Street & Parker, 2 St Margaret's Street, Canterbury (0227 51123).

are looking for are not to with a jumble of bread-and-butter starters," an agent said.

Opening one such department is Fox and Sons at its 22, Cathedral Yard, Exeter, office. Heading the operation is John Eaton-Terry, who will be marketing properties in the country areas of Devon, Cornwall and Somerset priced at over £100,000. And although Fox's already has over 50 offices in the south-west, it too has a programme of planned expansion, and wants to acquire either empty shop premises or existing businesses in towns between Bristol and Penzance where it is not represented.

A special service for buying and selling rural property has just been set up by marketing man and conservationist David

Lovibond. Called The Country Property Company, the scheme is in association with London estate agents Farrar Stead and Gist at 152, Fulham Road, Chelsea, SW10 (01-370 0727).

In effect it is a search service for seekers and sellers of country property. The vendor pays the usual commission (between 2 and 3 per cent, as there will have to be a tie-up with a local agent), and the applicant an initial registration fee of £11.50 which lasts for three months.

The idea is to save a would-be purchaser time and expense contacting a number of agents. Mr Lovibond will do this for you in the areas you are interested in, as well as advising on what it is actually like to live in the countryside.

The company's portfolio, gradually building up over the counties, ranges from a cottage near Ludlow, Shropshire, for £29,000, to a Grade II listed manor in Trowbridge for offers in the region of £100,000. So that a personal property plan can be worked out, some 40 questions are asked on registration, either by telephone or by post.

The application form encompasses details such as do you want to live in a village, a hamlet, or be isolated? (Someone has a canal boat and wants to be near a navigable river.) Are you seeking a cottage, farmhouse, manor or mansion? Should it be immaculate or need doing up? One enquiry stipulated an inglenook in every room.

# A master artist

LEONARD BARDEN

**DAVID BRONSTEIN**, a great chess artist who nearly became world champion, is sixty tomorrow. He is a player whose style is universally admired, but is so based on flair and fantasy that few can copy it. His games show that all kinds of strange sacrifices and rare positions are possible in a tournament so long as a player lets his imagination flow.

It was Bronstein more than anyone who popularised the Soviet chess school outside Eastern Europe in the post-war years. His dazzling King's Gambits, innovative King's Indians and all-round creative power were allied to a sympathetic, outgoing personality which made him a most popular ambassador, for example, when he played at Hastings.

Bronstein would surely have beaten Botvinnik for the world title in 1951 with a little more steadiness. A new Pergamon book *David Bronstein—Chess Improviser* by B. S. Vainstein (194 pages, £9.95) contains a sizeable contribution from Bronstein himself.

He makes some frank confessions. In the ninth game where Botvinnik guessed a pawn on move 17 to go rook up, Bronstein mentally calculated two moves in a row for Black. In the sixth game he lost a drawn ending by a simple blunder after 45 minutes thought: "when all I had to do was give the knight check, suddenly I began to remember the opening of the game, delved into the subtleties of PxB, and unexpectedly touched my king. I was forced to move it."

But Botvinnik, too, was unsettled. He only drew the rook-up game, and later failed to win a position where Bronstein's helpless pieces were just shuffling to and fro. Then Bronstein suddenly scored two victories in succession and needed only to draw the penultimate game of the series to be almost sure of the title.

He was Black, wanted to play his favourite active King's Indian, but was dissuaded by advisers. His chosen opening looked good for a draw, but "my thoughts began to doze, like a pike on the river-bed." On move 35 he made "the worst mistake of the entire match," winning a pawn but allowing Botvinnik to activate his bishops.

There was drama yet to come. Botvinnik, who adjourned in a winning position, was renounced for his skill in choosing the right sealed move and for deep adjournment analysis. This time he gave Bronstein another chance to draw, and again Bronstein missed it. "Realising that I had been wrong not to play N-R2, I felt distressed for the last time in the match, and completely lost heart."

At the time the Botvinnik-Bronstein match puzzled many because of its apparent inconsequential strategy and sequences. Bronstein believed that both sides misunderstood each other's style; he underrated Botvinnik as a tactician so tried to randomise positions; Botvinnik thought his opponent a lightweight and failed to fathom deep Bronstein

manoeuvres in blocked games. The Pergamon book is excellent and worthy of Bronstein's genius.

In his fifties, Bronstein has been conspicuously less travelled. Though his results have declined, he remains a strong GM who would be welcome in many Internationales in the West. In 1976 he was among a trio—the dissident Gulko and the independent Botvinnik were others—who refused to sign a virulent open letter condemning the just-defected Korchnol. Probably Moscow officialdom still remembers that. However, when Korov and Smyslov became 60 they were able to accept overseas invitations in an individual basis, so perhaps we shall yet see Bronstein again in England. This miniature is among his classic wins.

White: D. Bronstein. Black: E. Geller.

Nimzo-Indian (USSR championship 1961).

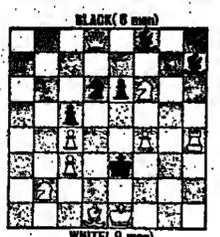
1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 P-QB3, B-N3 ch; 5 P-K3, Q-K5; 6 P-K3, P-Q4; 7 B-P2, K-P2; 8 P-K3, B-B4; 9 N-K2, Q-N-Q2; 10 N-B4, P-B4; 11 B-Q3, BxB; 12 QxB, R-K1; 13 Q-Q, R-OB1; 14 R-N1, Q-R4; 15 R-P, N-N3; 16 P-N4; P-KR3; 17 P-KR4, P-P; 18 P-N5, P-KP; 19 P-N, RxBP; 20 Q-N6; Resigns.

POSITION No. 503



Ruhner v Purtsch, Lucerne Olympiad 1982. When both sides have mating threats, calculation is all and general principles help little. Here White's plan is N-K7-B5 ch and R-N8 mate, while Black (to move) counters with rook and bishop. Who wins, and how should the play go?

PROBLEM No. 503



White mates in two moves, against any defence (by J. Buchwald). The black king is stranded, but as often in similar problems White has to find the best among several plausible tries.

Solntinas, P 12

## BRIDGE

E. P. C. COTTER

SOMETIMES the chess player makes a quiet move before launching his final attack on the opposing king. In much the same way at bridge the declarer can secure his position by a duck. An understanding of this would have saved our declarers today from defeat.

The first hand comes from duplicate pairs:

N  
♦ A 9 6  
♦ 6  
♦ A Q 7 5  
♦ K 9 4

W  
♦ 8 4 3 2  
♦ A Q  
♦ K J 9 8 7  
♦ 9 4  
♦ Q 2

E  
♦ 6 5  
♦ K 9 7 6  
♦ 8 3 2  
♦ 10 8 7

S  
♦ K Q 10 8 7  
♦ Q 2  
♦ Q 7 4  
♦ Q 3

West dealt at a low score and opened the bidding with one club. This was doubled by North. East passed, and South's four spades concluded the auction.

West led the Knave of hearts, dummy's Queen was played, and the King won. East at once switched to the seven of clubs. South's Queen was covered by the King, and the Ace won on the table. The nine of spades was taken by the Ace, and West made the club King and the diamond Ace to defeat the contract by one trick.

club is discarded on the fourth diamond, and the contract is delivered.

Note that to win trick one with the heart Ace will not save the trump trick, and leads to heart three. This allows East to get in with the nine, and still hold his King over dummy's Queen.

The second hand also comes from a pairs event:

N  
♦ A 9 6  
♦ 6  
♦ A Q 7 5  
♦ K 9 4

W  
♦ 8 4 3 2  
♦ A Q  
♦ K J 9 8 7  
♦ 9 4  
♦ Q 2

E  
♦ 6 5  
♦ K 9 7 6  
♦ 8 3 2  
♦ 10 8 7

S  
♦ K Q 10 8 7  
♦ Q 2  
♦ Q 7 4  
♦ Q 3

West dealt at a low score and opened the bidding with one club. This was doubled by North. East passed, and South's four spades concluded the auction.

West led the Knave of hearts, dummy's Queen was played, and the King won. East at once switched to the seven of clubs. South's Queen was covered by the King, and the Ace won on the table. The nine of spades was taken by the Ace, and West made the club King and the diamond Ace to defeat the contract by one trick.

Declarer should play dummy's four of hearts at trick one. This does not prevent East from obtaining the lead with the King, but it makes him pay too high a price for the privilege, because he sets up two heart tricks on the table, and provides a home for South's losing club. The heart continuation is taken by the Ace, the trump Ace is forced out, and the club Queen is now protected from attack. After the diamond Ace is discarded, the declarer's losing

### 49 Lordships of the Manors

For Sale by Auction

In the counties of Devonshire, Hampshire, Essex, Cambridgeshire, Suffolk, Norfolk, Staffordshire, Nottinghamshire, Shropshire, Yorkshire, Gwent and Worcestershire.

To include Historical Manorial Court Rolls and Documents.

Auction in Separate Lots  
on Tuesday 13 March, 1984

2.30 p.m. at The Merchant Taylor's Hall,  
30 Threadneedle Street, London EC2.

Details and brochure, price £3, available from:

**Strutt & Parker**

Cholchester Office,  
Caval Hall Essex (0246) 58201  
London Office,  
11, Abchurch Lane, London EC4  
01-629 7382 Tel: 0933505

### MONTPELIER SQUARE

KNIGHTSBRIDGE  
LONDON SW7

AN ELEGANT EARLY VICTORIAN FREEHOLD HOUSE

occupying a prime situation overlooking this prestigious garden square. The property provides well-balanced light and sunny accommodation of good proportions, easily maintained and decorated in soft neutral colours throughout.

The accommodation comprises a principal bedroom and bathroom suite, 3 further bedrooms, a second bathroom, cloakroom, a large drawing room, dining room, small study, kitchen, and a self-contained basement flat giving 2 rooms plus a bathroom. Full gas-fired central heating. Small roof terrace and a south-facing walled garden.

Price Freehold £485,000

**W.A. ELLIS** 174 BROMPTON ROAD  
LONDON SW3 1HP  
Tel: 01-589 2425  
Telex: 943763 CROCOM WAE

### LAMPSHIRE AND NANCOLLAS

5, Mount Folly, Bodmin, Cornwall. Tel: 0208 4422/5151

SALE BY AUCTION IN APRIL UNLESS PREVIOUSLY SOLD

**WOOLADON FARM**  
WEST DEVON  
A well-known and highly productive STOCK AND PART ARABLE FARM in an area of outstanding natural beauty on the Devon/Cornwall border. To be sold as a whole or in 9 lots.

**OUTSTANDING 450-ACRE COUNTRY ESTATE**  
Superior 5-bedroom farmhouse, buildings and 200 acres. 4 lots accommodation land. Cottage and garden. Stone building with planning to convert in 7 acres woods. 158 acres woods to 2 lots (F.G.S. applied for). Viewing strictly by appointment through the agents

### KNIGHTSBRIDGE

AN EXCELLENT SIXTH FLOOR FLAT IN SUPERB FULLY RESTORED EDWARDIAN BUILDING

Fine double reception, separate dining room. Three bedrooms, three bathrooms, kitchen, breakfast room. All principal rooms have views over Hyde Park. Lift, CH, CW, 24 hour porterage. To be unfurnished - new nine year lease at £20,000 pa will include new fitted carpets and kitchen equipment

**MELLERSH & HARDING** 43 St. James's Place  
London SW1A 1PA  
Chartered Surveyors 01-499 0866

### Overseas Property

## MARBELLA 'Le Village'

SUPREME QUALITY IN A BEAUTIFUL SETTING

AMIDST 3 GOLF COURSES

Considered to be the new yardstick for Spanish village developments. Exceptionally spacious and with every facility. Fully air conditioned, marble floors throughout and 7 pools, one of which is indoor and heated.

RING FOR NEXT INSPECTION FLIGHT DATE. YOUR NEXT LOCAL EXHIBITION for details Tel: (0280) 814333

**COOPE & CO. (PROPERTIES) LTD**  
MEADOW HOUSE WELL STREET BUCKINGHAM  
MK18 1EW Tel: (0280) 814333

**Norwest Holst**

### GEORGE KNIGHT & PARTNERS

The Letting Agents

9 Heath Street  
London NW3  
Telephone 01-794 1125  
AND  
155-157 Knightsbridge  
London SW1  
Telephone 01-589 2133  
Telex: 25480 EQUES G

### AMERICAN EXECUTIVES

seek Luxury Furnished Flats or Houses up to £400 per week

Usual fees required

Phillips Kay & Lewis  
01-839 2245  
Telex: 27846 RESIDE G

### JOHN D WOOD

ANDORRA—AN IDEAL TAX HAVEN

A Principality in the Pyrenees. INVESTMENT AND HOLIDAYS IN LAND OF BEAUTY AND PEACE

Winter skiing, superb summer sun. No taxation. Low living costs. Steady capital appreciation.

Selection of 1 to 2 bedroom apartments. Price from £15,000-25,000 ranges. Holiday return now arranged throughout the year. 25% mortgages available. Brochures from Sole UK Agents: JOHN D. WOOD, (Ret.) 25 Berkeley Square, London W1X 6AL. Tel: 21242

Tel: 01-629 9050

### SWITZERLAND

FOR SAFE INVESTMENT

ANZERS AND LES COLLONS

14 years' intimate knowledge of the Valais

Gives us great confidence in offering (with our Swiss associates) some new, well built and reasonably priced Chalets and Apartments. From SFr108,000 for a South Facing Studio to SFr250,000 for a large Chalet Apartment. Mortgages around 9% available

Details (including renting) from:  
**BEN ELLIS & ASSOCIATES LTD**  
The Harrogate, Bucklethorpe, Surrey GU3 7BE  
Tel: Bitchworth (075 784) 2180 (24 hours)

### FURNISHED LETTINGS

Quality London flats and houses to let furnished in demand from international companies and embassies.

Contact the experts:  
**ANSCOMB & RINGLAND**  
01-772 7101

### Small Elegant FURNISHED FLAT IN STALEY HOME

1 hour west of London. Superb landscaped view with lakes, trees and Temple. Ideal weekend retreat for Diplomat or Executive. Drawing Room, Double Bedroom and Dressing Room.

Please apply in writing to:  
West Wycombe Park  
High Wycombe HP14 3AJ

### SAINT-PAUL-DE-VEANCE, FRANCE

For lovers of nature and quiet. Lovely stone "anphora" cottage, nestled in greenery. 7 rooms. 155 sq m. drawing-room library with fire-place, caretaker's flat, outbuildings, swimming pool, tennis court, oaks, swimming-pool, tennis court.

FF 5,505,885. Possible financing. FF 3,500,000 down payment, balance payable within 5 years interest at 12%.

English-Arabic spoken S.S.I. 47 La Croisette, 06400 CANNES, FRANCE  
-Tel. (93) 35 19 19.

### THE ALGARVE

In London, at 3a Wimpole Street, W1, you will find comprehensive details of the best quality houses and apartments - all personally viewed.

We represent both developers of good resorts and individual vendors

For particulars and brochures please call:  
**GERDGE KNIGHT OVERSEAS**  
01-637 7026

### EXECUTIVE SUITES

**MAYFAIR**

Luxury Furnished Apartments Newly Decorated Fully Serviced Secretarial/Telex Facilities £350-£500 per week 3 Months to 2 Years

**MOUNTCURZON MANAGEMENT LTD.**  
LONDON  
01-491 2626 Telex: 299185

### GUERNSEY PROPERTIES

For the latest selection commencing from £28,000 plus "Settling in Guernsey" guide contact the specialists, stating your requirements. **LOWELL & PARTNERS**, Est. 1872, 11, Smith St., St. Peter Port, Gu. Tel: 5451 2355.

### RESIDENTIAL PROPERTY

APPEARS EVERY WEDNESDAY AND SATURDAY

Handwritten signature or note at the bottom of the page.

LEISURE



A touch of the Left Bank in the French Quarter, New Orleans. Ashley Ashwood

Going back to old New Orleans

THE PAST few weeks have seen a complete reversal of earlier weather patterns in the U.S. Where winds howled and frost nipped at tender tropical plants in the southern states, now the sun has returned from its holiday. This week along the Gulf of Mexico the temperature has been in the upper 70s—unseasonably hot even for that part of the world. The trees are shaking themselves into bud and the air conditioning units are being dusted off for their summer work.

In New Orleans the brighter weather means an even faster pace of work in preparation for what the city hopes will be a boom summer. This is the year of the Louisiana World Fair, a \$350m assemblage of exhibits, attractions, parks, lagoons and international pavilions built on a redeveloped derelict dockside site beside the Mississippi. Even the British will be there, albeit as part of a Common Market effort.

The fair itself, which opens in May, promises to offer all the panache of America at its best, or worst. Its more important long term effect may be the refurbishment of a city whose centre was becoming distastefully rammed.

shell) by night jazz music booms out into the street and the simple pleasures of watching can pass many an hour. Like so many such city actions, the Vieux Carre after dark is sadly an adults only affair. Here and there among the bars, each with its own band, guitarist or singer, sits a gloomy tavern at whose entrance tents and posters entice with promises of lawdry delights. But there are not so many of these as to destroy the overall mood of relaxed perambulation.

TRAVEL

ARTHUR SANDLES

Now, however, New Orleans has taken out its paintbrushes and recruited its builders. The results could be dramatic. During and after the World Fair residents and visitors will have direct access to a large stretch of the river, a joy which has been forbidden them for 100 years thanks to commercial development. New hotels are going up and dozens of buildings are being refurbished. Even the French Quarter is getting new sidewalks and road surfaces.

Whatever happens to the waterfront the French Quarter will continue to be the focus of attention for visitors to the city. It holds a romantic mystique of former Colonial days, the jazz age and Creole cooking. The French Quarter, or Vieux Carre, is a small area of some two dozen narrow streets not dissimilar in size from London's Soho. Its origins lie in the first Spanish and French colonialisation when the English speaking Americans arrived they set up home elsewhere, but the two parts of town separated by the broad Canal Street, and the division helped the French Quarter to retain its character over the years.

Another shock for the first time visitor is that the French Quarter is not devoted exclusively to traditional jazz à la Louis Armstrong. Country music, rock and general pop performances seem now to have invaded the greater portion of the quarter's stages. But one of the joys of the quarter is that most bars have their doors and windows wide open so that the type and quality of the music can be heard before you settle down with your glass. One thing that has not changed over the years is that the bars are in the business of selling liquor, not music. The trumpet players are still only a means to a possible end, except at Preservation Hall in St Peter Street where the jazz is good and pure, as is the environment.

The pros and cons of dim-dip

MOTERING

STUART MARSHALL

THE HOPE is that British motorists may not have the half-baked dim-dip proposal foisted on them after all. Opposition to dim-dip being mandatory on all new vehicles after April 1987 is growing.

Dim-dip is a device that automatically switches from parking lights to dimmed-dip headlights when the ignition key is turned. The Department of Transport has been persuaded that this will end daze on poorly lit urban roads. What it has overlooked is that it will add to driving danger because a one-tenth power dipped beam lamp (and that is what dim-dip means) will be just as invisible in fog as parking lights.

Yet it will make the foolish minority who now drive on parking lights even less inclined to put on proper dipped lights. The Royal Society for the Prevention of Accidents, the police and Home Office are in favour of dim-dip. So is the RAC, which was also against compulsory seat belt wearing, which has proved to be a quantum leap in casualty reduction. Against dim-dip are the AA, London Transport, the Motor Agents Association and Road Haulage Association.

At the coffee stop, where I changed the new and still unannounced Toyota Corolla for a 2.8i Celica Supra automatic. I had sat soaking up warm sunshine. Half an hour later, I was storming uphill when the tail end flew sideways on what I had thought was damp but turned out to be black ice. The Supra straightened up with a flick of the power-assisted steering and in another ten minutes I was tip-toeing along roads inches deep in sparkling snow. (Ultra low profile tyres, a 170 hp six-cylinder engine and a transmission eager to change down demand care on slippery surfaces).

In less than an hour I had rushed down deserted, winding roads and was lunching affresco at a taverna. I was in Cyprus, where one really can ski and swim on the same day. The Supra 2.8i (pictured) is less for dyed-in-the-wool sports car

fanatics than for hivers who want a car to look the part. A good turn of speed (120 mph maximum) and cosset them with air conditioning, electric sunroof and three-way adjustable lumbar support. With full electronic instrumentation it costs £11,700. A 5-speed manual Supra 2.8i is £11,000 and prices of the 4-cylinder Celica coupe and hatchback, retrimmed for 1984,



start at £7,296. Most exciting of the new Tynatts, though, is the Corolla GTi coupe, with a 1.6 litre, 16 valve twin-cam engine putting out an astounding 124 horsepower at a silky 6,600 rpm and capable of running up to 7,700 rpm briefly. At £6,996 this 122 mph, four-seat wolf in sheep's clothing undercuts and should see-off most of its rivals, the turbocharged ones included.



room and the back seats are quite spacious for two, adequate for three. When used as an estate-car substitute, the high rear sill makes loading difficult. Putting the exterior, mirrors half-way along the doors helps aerodynamics but hinders visibility. The ride is excellent, apart from some chumping from the 70 series tyres on the GL model I'm driving at present.

A little later in the year the new Golf GTI and the Jetta (a bootied Golf) will arrive in Britain. I haven't driven the GTI but it will have a hard act to follow, such is the excellence of the current model. The price must be close to £8,000. The Jetta models, however, will be priced only 2 or 3 per cent above comparable Golfs. Some I drove in Germany last week impressed me as even nicer cars than the Golf, but saloons always do seem quieter and a shade up-market of the hatchbacks on which they are based.



The new Jetta, a bootied development of the 1984 Golf.

Holidays & Travel

OVERSEAS

FLIGHTS

RELIANCE 'ASIA AS YOU LIKE' with British Airways. Flyable Tour Packages to the Far East for business or pleasure. Call us for immediate quotations for single and multicourse packages.

HAWAII EXPRESS FLY-DRIVE. You don't have to call 10 different numbers, one call to us on 01-637 7833/9 secures immediate confirmation of your flight, car hire, & hotel reservations.

SELF-CATERING. VILLA HOLIDAYS IN FRANCE, ITALY, PORTUGAL, SPAIN, SARDINIA, MALTA, AUSTRIA, FLORIDA, SWITZERLAND. Free Child places in May and October.

VILLAS FOR THE MOTORIST. FRANCE, SPAIN AND GERMANY. A superb selection of seaside and country houses along the Brittany, Atlantic and Mediterranean coasts and the Dordogne in France, the quieter resorts of the Costa Brava and the Black Forest in Germany.

CANNES DEAUVILLE LA BAULE. SPECIAL RELAX 280 FT. Tennis and golf free of charge. CANNES - HOTEL MAJESTIC HOTEL MONTELEURY. DEAUVILLE - HOTEL NORMANDY HOTEL ROYAL HOTEL DU GOLF.

FALCON No.10 SWITZERLAND. Take no chances book with a bonded 4874 member. TEL: 01-351 2191. DEPT FT, 150 Campden Hill Road London W8 7TH - ATOL 1337.

HOTELS. HOTEL HERTENSTEIN Guest \*\*\* family hotel on hillside 20 mins. from Lake Quilse. Information office CH-6553. WEGGIS (HERNSTEIN) - The most beautiful and charming place by Lake Quilse.

ACTIVITY. CAMP BEAUMONT - American style summer camp for children - 100 acres. 24-hr. brochure upon request. SELF-CATERING. COUNTRY HOLIDAYS - Cottages throughout the Cotswolds. For brochure write to Hill Street, Garsdale (78), Skipton, North Yorkshire. Tel: 075-574 775.

# Koestler exit

BY JEFFREY MEYERS

**Stranger on the Square**  
by Arthur and Cynthia Koestler  
edited by Harold Harris.  
Hutchinson £9.95, 242 pages

On March 3, 1983 Arthur Koestler, age 77, with terminal leukaemia, and his wife Cynthia, age 55 and in good health, committed joint suicide at their home in Montpelier Square with a massive overdose of barbiturates. Koestler wrote only one-quarter of their unfinished joint autobiography from 1940 to 1956. Patched together and padded with quotes with his previous books, it is far below the level of his autobiographical masterpieces: *Arrow in the Blue* and *The Invisible Writing*.

Cynthia, who met Koestler in 1949 and married him in 1965, learned nothing from him about visible writing. Far from providing frank and fascinating insight into the manic and depressive aspects of his literary, political and sexual life, she offers a superficial and skeletal outline, filled with clichés, banalities and school-girl gush. She has no penetration or perception and is curiously impersonal about some intriguing questions: the reasons for Koestler's divorce from his previous wife Mamaine, why he rejected his illegitimate daughter by another woman, the nature of Cynthia's first marriage and divorce, how it felt to be part of his harem and why she agreed to have two abortions. She seems to have been one of his "infantile Cinderellas" — naive, devoted, devoted — who surrendered her life to him while still alive and could not bear to survive after his death. Koestler's life was infinitely

more interesting before he met Cynthia. He made the "tragic mistake" of becoming a Communist, repudiated the god that failed and portrayed the warped religious fanaticism of that ideology in his best book, *Darkness or Noon*. As the stimulating evening devoted to Koestler at the PEN Club in London on February 1 revealed, he was especially fond of ex-Communist anti-Communists like himself. (But he was quite mistaken to state that Hemingway was ever a Communist.) Koestler was imprisoned in Spain, France and England—Pentonville was his favourite gaol—between 1937 and 1941, and by comparison the London blitz seemed almost peaceful. He attacked Sartre for his commitment to totalitarianism and Sartre's defence of Stalin's reign of terror—"a dangerous lunatic in absolute power"—and categorised neutralism as the most contemptible form of intellectual betrayal.

"It showed a forgiving attitude towards totalitarian terror but denounced with unforgiving venom any falling or injustice in the West." Koestler was shrewd in argument but weak in litigation. He lost a long lawsuit about the theatrical adaptation of *Darkness or Noon* since the small print in the contract deprived me of any legal right to control the contents of the play." He was paradoxically generous about idealistic causes and callous to mistresses and friends. He founded the Fund for Intellectual Freedom to help refugee writers and conducted a successful campaign against capital punishment. But he thought Orwell (who noted the chink in Koestler's armour was hedonism) was strangely lack-



Arthur and Cynthia Koestler: suicide pact

ing in human warmth. Camus could not enter into deeper human relations. Sartre was like a malevolent gargyle. Auden was more sex-obsessed than anyone he ever knew (*tu quoque*). Rebecca West was that intellectuals were unconvivial company while the celebrities be liked to entertain provided no meotal stimulus. Koestler was a demonic worker, a heavy drinker and a restless traveller (in Permyab, Soviet Asia, he found that 90 per cent of the population had syphilis). He dictated his books, scrupulously revised the French and German translations, and would let out a cry of pain if there were errors in his works. He would have written in anguish to discover, in this posthumous book, the incorrect spelling of balluciation, Alexander Blok, Joyce Cary, Fredric Warburg and the meaningless substitution of "cakes" for "flakes" and "work" for "word." Like Aldous Huxley, he had a scientific training and a rationalist cast of mind, yet not to die before he is forgotten." His intellectual energy, universal interests, extraordinary experience, political commitment and literary skill ensured the latter. But this bipartite autobiographical fragment does not reveal very much about his character or suggest why he still lives in his works. Jeffrey Meyers, an American critic, is the author of a recent biography of Wyndham Lewis, and is currently at work on a biography of Hemingway.

# Beautiful people

BY RACHEL BILLINGTON

**The Souls**  
by Jane Abdy and Charlotte Gere, Sligwick and Jackson £12.95, 192 pages

In 1932 Jane Abdy and Charlotte Gere organised an art exhibition at the Bury Gallery in St James's on "The Souls." Now they have produced a pleasure book on the same theme which also includes potted histories of the leading lights of the group. The "Souls" or "Gang" (as

they were first less reverently known) were the names given in the 1880s to a group of aristocratic, intelligent, beautiful, artistically alive and witty friends — or at least those are a few of the attributes claimed for them by their biographers. Certainly they did reveal an "artistically alive" side that was unusual for the English upper-classes who were (perhaps still are?) more interested in their horses than their libraries. The name Souls was invented by George Curzon

hased (according to him) on the idea that to be a member you had to have a soul above the ordinary. Some of the Souls drew, painted or sculpted. Others were drawn or painted or sculpted. They were all rich and often titled, but took pride in beauty rather than show. They wrote poetry, played word-games, married, fell in love, wine and dined and in general had a good time. They included serious political figures such as Curzon, Arthur Balfour and George Wyndham as well as those talented in other fields such as Maurice Baring, Sir Edward Burne-Jones and Wilfrid Scawen Blunt. Those who dislike the idea of cliques (as the Souls themselves averred they did) may find this book infuriating. Others will surely enjoy it as an elegant reminder of a golden age which ended with the tragedy of the First World War.

6th-9th SEPTEMBER 1984

Features:

- European Tour's flagship event
- The Perfect Venue — historic Sunningdale Golf Club — easy access Central London and Home Counties through M25, M3, M4 motorways.
- Top European and Overseas players
- Exclusive Company Hospitality Pavilions from £1750
- Company Tables in European Executive Club
- Televised Tournament and first qualifying event for 1985 World Series of Golf

Benefits:

The Panasonic European Open Golf Championship allows your Company the unique opportunity to entertain your clients in the most idyllic setting at one of Europe's premier golfing events and perhaps the opportunity to participate in the Celebrity Pro-Am preceding the Championship. Following the success of the 1983 Tournament the number of Pavilions available are limited and if you would like to join those many Companies already associated with the Tournament please complete the attached slip for your information brochure and booking form.



Past Champions  
'78 Bobby Wadkins  
'79 Sandy Lyle  
'80 Tom Kile  
'81 Graham Marsh  
'82 Manuel Pinero  
'83 Isao Aoki

To: Birchgrove Ltd., Broadway House, The Broadway, Wimbledon, London SW19 1RL.  
Yes please, I would like a European Open '84 brochure.

Name ..... Position .....

Company ..... Address .....

Telephone No. ....



# Brave friends

BY DAVID PRYCE-JONES

**A Need To Testify**  
by Iris Origo, John Murray.  
12.50, 274 pages

A Marchess in Italy and a Dame in England, Iris Origo travels on an American passport. Cosmopolitan ladies like this, who might have been "placed" by Henry James, as a rule do not bear witness to the times. Long ago she was locked into Italy and its fate. War in *Vol d'Orca*, a classic of its kind, gave a description of living on the estate near Siena of her husband, the Marchese Origo. In the years of fascism and calamity. Her memoirs, *Images and Shadows*, revealed a personality too steadfast and intelligent for nostalgia. This welcome new book is by way of a postscript, consisting of salutes over the graves of four friends whom she admired. All were idealists of one stripe or another, and all well-known.

Enthusiasm and truthfulness are required of any biographer, she writes in an introductory essay. To these virtues she adds a feeling for what is generous and moral in other people. Italians who resisted Mussolini, she knows at first-hand, were as brave as Germans who resisted Hitler. Laura de Bosis, the most unexpected of her subjects, was

someone who could sacrifice himself to a cause, but lucidly rather than with fanaticism. The youngest son of an aristocratic family, he had every opportunity to exert his many gifts. Supporting Mussolini at first on grounds of patriotism, he became secretary of the Italy-American Society in New York, in which role he was expected to align the interests of the millions of Italian émigrés with Fascism and any American sympathisers.

Instead he soon reverted to an innate conservatism, gathering around him like-minded anti-fascists. When these were arrested, and his mother along with them, he took heroic action. In 1931 he taught himself to fly, and piloted his own plane over Rome dropping leaflets calling for resistance. Escaping towards Corsica, he is presumed to have run out of fuel, ditching in the sea. No trace of him was found.

The martyrdom was deliberate, Iris Origo shows, and noble but futile. The person who chiefly noticed and minded was the love of his life, Ruth Draper, the famous actress and mime. Her Anglo-American background had much in common with Iris Origo's. To judge from this account, she seems to have enjoyed her art, but not enough to compensate for her private



Laura de Bosis: unexpected hero

griefs. The final portraits are of Gaetano Salvemini the historian, and Ignazio Silone the writer, two of the most distinguished Italians of this century. Both came from poor families in the south, and endured hardship and personal tragedies. Persecuted by Mussolini, Salvemini chose exile, lecturing in England and then at Harvard. Silone also escaped abroad, to Switzerland. As a communist in his youth, Silone had seen Lenin and Stalin in action in Moscow during the 1920s, as a result of which he had broken with the party, influencing others to do the same. Men of the left, Silone and Salvemini believed that the true task of anti-fascist resistance was to prevent a Communist tyranny from succeeding Mussolini. Europe after the war, far more cosmopolitan and democratic than it had ever been before, owed much of its renewal to exemplary people like these, among whom Iris Origo herself has a well-deserved place.

# Playing the list game

BY ANTHONY CURTIS

**Ninety-Nine Novels: The Best in English since 1939: A Personal Choice**  
by Anthony Burgess, Allison & Busby £8.95 (paperback £2.95), 160 pages

Ask the fellows who cut the hay. That is as valid a piece of advice when you are seeking information about literature as it is about agriculture. They are the ones, not the fellows who sit on marketing councils, who are close to the horse's mouth. In the area of fiction it means the fellows (no sexism implied) who write novels themselves and/or review them regularly.

Who better, then, to do some literary stock-taking for us, to draw up a list of *Ninety-Nine Novels: The Best in English since 1939*, than Anthony Burgess? He is not only a prolific novelist with an international reputation but a regular weekly critic who in recent years has done much to enliven the corridors of book-reviewing. Moreover, before the mantle of Harold Nicolson descended upon him at the Observer, Mr Burgess used to review fiction in hatches for the *Yorkshire Post*. He created a bit of a rumpus, I seem to remember, by reviewing one of his own novels, published under a pseudonym, which the unwary literary editor had included in his batch for the week. Do not laugh; it could happen to anyone. Mr Burgess warns us that his choice is personal and that inevitably there will be much he has had to leave out of his list. He confesses to one large category of omission, the popular novel (Frederick Forsyth, Irving Wallace) which he enjoys but whose contribution to the development of the form is negligible.

I have concentrated (he writes) mainly on works which have brought something new — in technique or view of the world — to the form. If there is a great deal of known excellence not represented here, that is because 99 is a comparatively low number.

The reader can decide on his own hundredth. He may even choose one of my own novels. Okay, mon vieux. I take the hint. Let us bump it up to 101 and add *A Clockwork Orange* and *Earthly Powers* which a becoming modesty has excluded.

What then do we have? Burgess's 99 begins with the now mandatory obeisance to the shade of Henry Green whose *Party Going* appeared in 1939. "The whole book is a carefully wrought poem, and if we try to extract a meaning the whole structure is in danger of collapsing." (Fair enough; but see Frank Kermode's interpretation of this novel in *The Genesis of Secrecy* where its "whole structure" remains remarkably intact.)

From the fictional fronts of 1939, Burgess also picks, Finnegans Wake, Huxley's *After Hours* and Flann O'Brien's *At Swim-Two-Birds* which gets him off to a pretty good start. The mixture of experimental and traditional, satiric and poetic, colours the whole list. Thus Mangabam gets in with *The Razor's Edge* (1944), Nevil Stoute with *No Highway* (1948), J. B. Priestley with *The Image Men* (1968), all of them linear yarn spinners, sitting cheek by jowl with Malcolm Lowry's *Under the Volcano* (1947) Durjoy's *The Alexandria Quartet* (1957-60), Doris Lessing's *The Golden Notebook* (1962) John Barth's *Giles Goat-Boy* (1966).

Norman Mailer is in twice, once with *The Naked and the Dead* (1948) "his best work," but also with *American Past* (1983) which in a fascinating contra-flow judgement, that time may well justify, Burgess thinks "runs it [TNATD] very close" in quality. Ivy Compton-Burnett is in, but not Virginia Woolf, who would have qualified with *Between the Acts* (1941), though this may simply be an oversight. Other women novelists included are Elizabeth Bowen, Iris Murdoch, Olivia Manning, Flannery O'Connor, Nadine Gordimer, Pamela Hansford Johnson, Muriel Spark



Anthony Burgess: literary stocktaking

and Erica Jong (!) Nothing from Drabble, Weldon, Colgate, Lurie, Susan Hill, Jhabvala and a dozen other deserving ladies of the typewriter.

It would indeed be fair to say that Burgess's list is male-orientated, preferring the virile, violent, political novel to the domestic interior one; just what you would expect, really. Thus L. P. Hartley does not make it with *The Go Between* (1953) but instead with the allegorical *Facial Justice* (1960). In this vein of social observation places are found for Raymond Chandler, Colin MacInnes and even Herman Wouk.

Among *les jeunes* (well, comparatively speaking) we have David Lodge with *How Far For You Go?* (1980), Russell Hoban with *Riddley Walker* (1980), John Fowles's *The French Lieutenant's Woman*, Malcolm Bradbury's *The History Man* (1975) and Michael Frayn with

*Sweet Dreams* (1973).

Cyril Connolly (not included) once tried a similar operation by listing the *100 Key Books of the Modern Movement*. The two lists together would make an admirable crash course of reading for anyone who wanted to check up on the astonishing capacity for renewal shown by the modern novel.

Mr Burgess says that, "It is hard indeed to devise universal parameters for the novel". He concludes "... the novelists here have added something to our knowledge of the human condition (sleeping or waking), have managed language well, have clarified the motivations of action, and have sometimes expanded the bounds of imagination."

By the way, what Miss Prism actually said was: "The good end happily, and the bad unhappily. That is what Fiction means." The lady would have rapped Mr Burgess over the knuckles for misquoting her.

# Swashbuckling scientist

BY DAVID FISHLOCK

**Rutherford: Simple Genius**  
by David Wilson, Hodder & Stoughton, £14.95, 689 pages

THIS is a story of one of the most famous scientists ever to work at what, for the first four decades of this century, was the world's greatest experimental physics laboratory. Ernest Rutherford was no genius, not even particularly clever compared with contemporaries at the Cavendish Laboratory in Cambridge. But he was "an exceptionally powerful man, a huge personality, a problem-solver, who provided humanity with a new explanation and description of the world in which we live and who provided compelling reasons for everyone to accept his view."

Yet this "enormously powerful battleship ploughing majestically through the storms and seas," to quote one famous contemporary, was also a man who, selflessly, made himself loved by others. One who could never have known him, and who even disclaims any liking for physics at Cambridge, yet posthumously came to love the rumbustious but curiously shy scientist, is David Wilson, the BBC's former and greatly regarded science correspondent. Wilson believes that Rutherford's previous biographers and the public generally have underestimated the man and his colossal contribution to the nuclear age we live in.

Virtually from the moment he arrived, aged 25, from a one-horse town in New Zealand in 1896, Rutherford was a force

in British physics. His first research, published two years before, had shown that some of the world's most eminent physicists were wrong in one aspect of magnetism. Rutherford stood up in Cambridge and said so. It got him their ears. J. Thompson, later to discover the electron, became his patron and close friend.

Within two years Rutherford had produced five major scientific papers, one with "J. J." and four of his own; a truly prodigious feat. The last launched him into the world of radio-activity and nuclear science, which he was to dominate for 40 years.

Wilson provides a highly satisfying degree of detail about the Rutherford's ideas, experiments, working methods, brilliant intuition. Here was a man with a cavalier disregard for such details as he considered irrelevant, but that all-too-rare appreciation of orders of magnitude that gave him a perspective few others possessed. He was far more concerned to pass this appreciation along to his students.

Here too was a "brash, noisy, flamboyant, pure scientist" working harmoniously with the men about Town who in the 1920s were beginning to put public money into science. He proved supremely competent in "fixing" matters for research with civil servants and others over business lunches at the Athenaeum.

Never were those skills at that interface tested more severely than over his friend Peter

Kapitsa, the brilliant Russian physicist who persuaded an initially reluctant Rutherford to embark on "big science" and build him his own high-field magnet laboratory. For several years Kapitsa defied political pressure to return to his homeland. But in 1934, he failed to return from annual home leave.

With the loving care he brings to describing Rutherford's experiments, Wilson untangles the political story of Kapitsa's detention and Rutherford's efforts to get him released. This time he failed. But he negotiated the sale of Kapitsa's new Cambridge laboratory to the Russians for double its book value.

The final twist to the story is that one of the new appointees on which the Cavendish spent Kapitsa's salary was a young refugee from Nazi Germany, Rudolf Peierls, co-author of the 1940 memorandum to the British Government showing how it was possible to make an atomic bomb.

**W.H. Smith Annual Literary Award**  
for the most outstanding contribution to English literature in a book published last year, has been won by **Philip Larkin** for 'REQUIRED WRITING Miscellaneous Pieces 1955-1982' Published by Faber and Faber £4.95

**WHSMITH**

د. محمد صالح المنجد

Wedding specials

TALK to any recent bride and you will soon discover that the question of The Dress involves more stress, more time, more shoe leather than any of the rest of the myriad purchases the whole big day demands. The Dress will linger in the photograph album for years to come, will be the cynosure of wedding day eyes and is the focus for every small girl's romantic dreams of meeting Mr. Right. Consider then the average dress lurking in the average wedding-dress department. The shops are full of "unbelievable creations," wrote a colleague who got married not so long ago, "with frills round the neck, pin tucks on the bodices, bows on the sleeves, buttons down the front, tulle roses at the waist, flounces round the skirt—and all on the same garment. I don't know," she went on "who designs the things but whoever they are they need to try harder."

ping place on the bridal shopping round when it sold only original antique lace blouses and wedding dresses. However, Missie Crockett and Graham Hughes who started and still own Tatters, decided that the supply of originals was becoming erratic and unsure and so they started to make their own originals. Many of them are exact copies of old antique gowns that have passed through their hands, others are adaptations that they feel are more suitable for today's brides. Whatever dress it is, however, they only use traditional fabrics like spun silk and satin. All the dresses are hand-finished, many sport genuine old lace and Edwardian tucks. Prices for wedding gowns start at £150. Down in Gloucestershire Cocoa (7 Queens Circus, Montpellier, Cheltenham) was working along similar lines. It, too, was specialising in combining antique lace with the softest silks, finest cottons and sheestest satins, to make up original and special wedding dresses of all kinds. However, Cocoa's founder, Olivia Dell, found that so many of the young girls who sought out her shop fell in love with a look beyond their means. She soon discovered that rather than compromise by having a less desirable dress for that walk up the aisle, many of them preferred to hire the dress of their dreams. So about four years ago she started her hire service for the most beautiful of her dresses. By logical extension, she has collected together an original collection of antique christening robes, mostly in silks and honorerie Anglaise, many with accompanying bonnets and capes, which can also be bought or hired. Prices for hiring may seem high (it varies from about £100 to £200) but when you consider the cost of outright buying (often upwards of £500) of specialised cleaning, of looking after the antique laces and materials, and the fact that the dresses aren't hired out more than three times, you'll see why it must be so. Cocoa also hires outfits for bridesmaids and page-hoys.



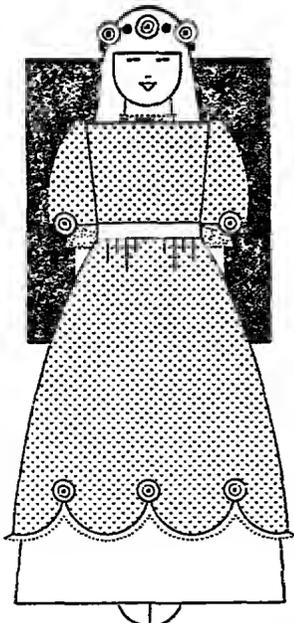
ABOVE

Typical of the sort of soft, antique look that Tatters specialises in is this Edwardian-style dress, illustrated above. It is made of ivory spun silk with antique lace and ribbon trimmings and costs £600 from Tatters, 74 Fulham Road, London SW3. Clothes for the child attendants start at £150, the wedding dresses are mostly in the £300-£1,000 price range.



LEFT

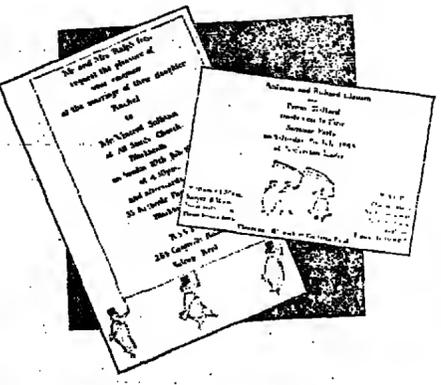
One of Cocoa's special bridal gowns. Actually it comes in two pieces—a long skirt and an overtop. Made from a patchwork of different antique silks, satins and lace, the overall style has a distinctly Edwardian air. This particular dress is typical of the Cocoa approach which aims to provide the soft, lacy look that seems to be what today's bride is looking for. This dress would cost about £325 to buy but the bride who falls in love with it and can't afford that sort of money can hire it for the day for £150—this may seem a lot but as brides seldom, if ever, wear their wedding dress again, there is at least the satisfaction of knowing that you are saving some £375.



RIGHT

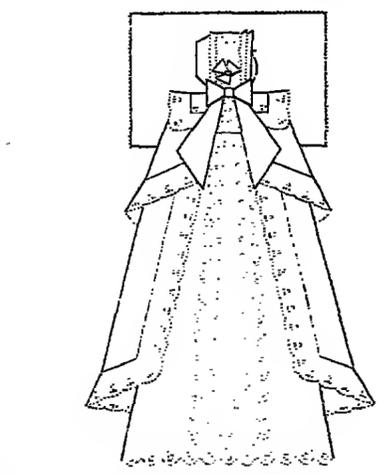
More from Cocoa—this time one of the small bridesmaid's dresses that the shop sells or hires. In softest peach, there is a pure silk dress with an over-dress of fine matching peach cotton lace. The whole is trimmed with small satin bows. To buy the dress outright would cost £69 while it can be hired for £34.50. Suitable bridesmaid dresses of all sorts can also be made or organised by the shop.

Drawings by Pauline Rosenthal



DECISIONS, decisions, that's what getting married seems to involve. If it's not the florist, it's the photographer or else it's what stationery should we have? If you're looking for something one-off, special and designed around you and the way you live, you could try the services of Gabrielle Izen and her partner John Hill Turner. Gabrielle is a professional illustrator with a charming touch. The two illustrations above give a flavour of her style. She started by designing wedding and party invitations for her friends and relations and now she and John

Hill Turner have decided to go into it in a professional way. All the lettering is done by hand, all the drawings are conceived round the personality or wishes of the client. Prices for wedding invitations start at £100, depending upon how elaborate or complicated the client wishes the end result to be—for this you get the artwork plus the printing of as many invitations as you would like. Party invitations start at £60. For more details contact Gabrielle Izen and John Hill Turner at 2, Prebend Street, London N1, 01-359 7764).



AS Cocoa specialises in collecting antique lace, adding christening robes to the wedding dress selection seemed just like a logical extension of the shop's services. For those who don't have family heirlooms, to call on the chance to hire for the day the sort of original christening gown that is almost impossible to find nowadays seems too good to miss. Besides the genuine antique robes there are also the ones that Cocoa makes up from its collection of silks, soft laces and linens. Very often there are capes and bonnets to match. To buy a full-length robe, with matching cape and bonnet, like the set in the picture here (the gown is of finest, hand-embroidered white lawn, the cape is of cream cotton edged with broderie Anglaise) would cost £150. However, it can be hired for £35. There is also a selection of short christening dresses which are not for hire, just for sale. Prices of these start at £35.

OVER the past 20 years our cities, our towns and even our villages have been invaded by an increasing number of foreign restaurants — Italian, Indian, Chinese, Greek, Spanish and American. Excellent though the food of all these countries may be, I find it sad that, by comparison, there are so few really good and truly English restaurants. So when I heard about Ebenezer Cottage, a restaurant at Walton-On-The-Hill, Surrey, specialising in English cooking I took myself there in search of good English fare, hoping I would not find just the familiar roast beef (perhaps a baron of) or boiled beef and carrots or even steak and kidney pie. Imagine my delight when I was given a menu written in English and describing tempting English dishes created by a remarkably young chef who is English and admits to studying, and freely adapting recipes from, many old English cookbooks, as well as producing his own versions. So the food at Ebenezer Cottage is English, different and exciting. I strongly recommend anyone living near enough to go there either for lunch or dinner as soon as possible; for those who live too far afield I give below a selection of recipes from the menu, most willingly given to me by Richard Brown, the 22-year-old chef.

English and proud of it

BY JULIE HAMILTON



together. Chop the garlic and, with the herbs, add it to the vegetable mixture. Season well. Combine the egg, cream, brandy and Worcestershire sauce together and thoroughly mix it in. Tip into an oblong mould, or terrine, cover with huttered foil and bake in a bain-marie at gas mark 5 (375F) for approximately one hour. The pate will still be very soft when removed from the oven but will set as it cools. Refrigerate for at least 12 hours before serving. A mayonnaise flavoured with fresh herbs is served with this pate at Ebenezer; it is good, but not essential. BAKED MUSHROOMS Serves 4 1 lb large button mushrooms; 8 oz ham in 1/2 inch thick slices; 8 oz cheddar cheese; 1 pint béchamel sauce; salt, pepper, pinch of cayenne; chopped parsley (optional); butter for frying. Cube the ham and cheese and mix them with the cold béchamel sauce, season and add the parsley, if using; that can be done well ahead of time. Trim the mushrooms and fry them in seasoned butter until coloured. Transfer to small ovenproof individual dishes and add a dessert spoon or two of the ham and cheese mixture. Bake in a pre-heated oven at gas mark 7 (425F) for five to 10 minutes and serve at once. VEGETABLE PATE Serves 4 generously 8 oz fresh spinach (weighed after trimming off the stalks); 8 oz chicken trimmings; 1 medium size onion; 1 leek; 2 sticks celery; 3 cloves garlic; 1 dessertspoon chopped fresh rosemary, thyme, parsley; 2 tablespoons brandy; 2 teaspoons Worcestershire sauce; 1 egg; 1 pint cream; salt and pepper. Wash and dry the spinach thoroughly. Mince the chicken, onion, leek, celery and spinach

to three slices per person. Boil the stock to reduce it by a half. Combine the wine and vinegar with the shallot and some freshly ground pepper and reduce it to a quarter of its original quantity, then strain it into the reduced stock. Set aside. Heat a little oil to a frying pan until very hot but not smoking. Add a knob of butter which should melt immediately. Fry the venison very quickly, allowing barely two minutes per side. Turn only once. Remove from pan to hot serving dish and pour over fat from the pan to keep the meat moist. Return the frying pan to the heat, add another knob of butter and fry the mushrooms fast, tossing continuously. When just coloured, add the reduced liquids, stir and bring to the boil, pour in the cream and adjust seasoning. Pour over the meat and serve.

SIRLOIN STEAK STUFFED WITH STILTON Serves 4 4 sirloin steaks at least 1-inch thick; 8 oz Stilton. Make an incision in the side opposite the fat in each piece of meat and carefully form as large a pocket as possible. Mash the cheese, divide it in four and stuff each piece of steak with it. For a very neat finish you could sew up the pockets, removing the thread before serving of course, but it is not absolutely necessary. Fry or grill the steaks according to taste and serve with herb butter.

BAKED BRANDY CUSTARD WITH ORANGE SEGMENTS Serves 4 to 6 3 eggs; 2 oz caster sugar; 1 pint brandy; 1 orange; 2 tablespoons sugar; 1 tablespoon water; 1 pint milk. Beat the eggs and sugar together, bring milk to boiling point and add it to the eggs and sugar, stirring all the time, then add the brandy. Pour into dariole moulds, place them in a roasting tin half filled with water and bake at gas mark 4 (350F) for approximately 1 to 1 1/2 hours. Cool, then refrigerate until thoroughly chilled. Carefully peel the orange, cut the peel into very thin strips and blanch it for one minute; rinse it in cold water. Make a thick syrup with the sugar and water. When it's boiling, add the orange peel and boil for four or five minutes; allow it to cool in the syrup. Carefully peel the inner skin of the orange segments and slice them across to form attractive shapes. Unmould the chilled custards and decorate with the orange peel and segments.

in Next week's FT

— On Monday's Management Page: Why Blue Circle's workers are playing a computer game

— On the Technology Page: Office automation - how to manage it

— Also on the Technology Page: Herpes - how to test for it

— Between the covers - a look at duvet fillings on Saturday's How to Spend It Page

The FT brings you the information you need — read it every working day.

No FT...no comment

Smith  
Gardner  
Larkin

# A mature childhood

The current Book at Bedtime Radio 4 which I must say is about 90 minutes before bedtime is Alan-Fourmier's *Le Grand Meauland*, better known as *Le Grand Meauland*, and it is introduced on Sunday with very good pieces about the author by Roger Kendall. "I'm still very young," were its opening words, and that is the real charm of *Le Grand Meauland*, its youth. Fourmier as 19 when he began it, and under the curious spell of his youth; he worked on it for 30 years, yet the odd naïveté remained unspoiled. "I want to be able to express childhood without being childish," he said, and thus he triumphantly did. A year after the book's publication he was killed, in the early months of the first world war. I don't think anyone who reads this introductory programme will want to miss the reading by Michael Williams. Youth I have to confess that I find in Williams's style is a rare theoretical than I would like.

## RADIO

E. A. YOUNG

Disney, Walt Disney. I've got lots of things against Walt Disney, more than anything his enchantment for cruelty, both in his full-length cartoons and in his wild life movies he made, but the world would be a poorer place without what he gave us, the simple humour without sex, and violence presented only in such a way that you can laugh at it. Tom and Jerry have always been more violent than the Disney pictures, it seems to me. So it was a disappointment to be told that, in spite of all the good points in his character, he was well on the way towards being a fascist, a man from the same mould as Joe McCarthy and John Birch, who vigorously opposed the unions and asked one of his trustees who was taking plans to "What are you, some kind of a fairy?" Disney's own musical taste, however you may have judged it from *Fantasia*, is summed up in his judgment. "This music is 200 years old; it must be good."

The programme was good, anyway, and I was especially glad to hear nice things about Uli Iwerke, whose name has

always stood out from the credits since I first began to watch Mike's Musing pictures. And if Disney really did think of Disneyland as a fortress against foreign culture, at least there are no signboards there telling us.

Radio 3's enjoyable fragments, *A Day in the Life Of*, finished up on Friday with James Agate. Luckily the title was deceptive, and what we had was not days but recollections covering lifetimes. In the case of Agate, the time recorded in the Ego hooks. It gave us his wit and his self-concern but little else, and no doubt just as well. On the same channel we had the second of the present series of *Barnes's People*, with Ian McKellan as a Russian terrorist and Mary Ellis as a widowed friend Duchess. It was less good than the first.

And while I'm on small-scale items, a word about Radio 4's two current time-sluffers. One is *Don't Stop Now*—it's *Furrows*, about which I can say no more than the Radio Times, that it's a new series of non-stop comedy cabaret. I thought it full of feeble jokes delivered with a modicum of zing; but I didn't realise until the closing credits that this is a permanent company playing, at this moment, at the Trashed, Woolwich. You can get by more easily with this material if you're able to add something in the way of a live performance. The other time-sluffer is the *News Quiz*, whose participants amaze me with their recollection of the trivia in the Press.

Now that Saturday Night Theatre has got through its earlier series, things may look up. *Olwen Wynmark's Sea Change* was an entertaining view of an unhappy divorcee's efforts to rid herself of her friendly but unhearing tenants. It was full of amusing invention, and ended with a resolution as neatly delayed as the end of a piece of Chopin. The Monday Play, *Babylon Has Fallen* by John Fletcher, was written, and spoken, in a heightened language that I find hard to listen to on radio, especially when there are long speeches. The plot was promising—an evangelist decided to build the New Jerusalem on an island already inhabited by a dissolute aristocrat and his 50 concubines. Whenever my attention lapsed, I came back to find that the great single-handed navigator Joshua Slocum had slipped in unexpectedly.

# Max Loppert catches up with Opera 80's touring version of La Traviata

## Violetta in Weston-super-Mare

On its spring tour Opera 80 offers a double bill of *Costi* for *Violetta* and a new production by Steven Pimlott of *La Traviata*. Caught on Thursday at the Playhouse, Weston-super-Mare (third stopping point on the tour), the new *Traviata* proved worthy, on the whole, of this valuable and important small opera company—a Verdi singing, scaled of necessity to Opera 80 resources and limitations, that manages to keep Verdi intently in its sights.

Mr Pimlott has advanced the action to the 1920s—the last wholly plausible date, he claims, for a tale involving consumption and society's disapproval of the Traviata in question. The designers, Annie Smart and Pam Tait, have concocted some coolly elegant, deco settings for *Violetta's* apartment, less distinguished ones for the country retreat (which looks rather like a cosy motel room) and Flora's party. And though the reduction of both party scenes to intimate gatherings in a mode is intelligently adapted to the number of people on stage, the recurring touches of tapper behaviour, with everybody smoking madly and striking elongated poses, court mild silliness. Mr Pimlott's confessed desire to return the opera to a modernity as immediate as Verdi intended is an admirable one; and his identification of modernity with decor involves at least no serious re-fashioning of the text.

In fact, the extreme truthfulness of behaviour, which is the opera's real and ageless



Bronwen Mills and Kevin John

address each other before parting as father and daughter is an imposition on the exact sense of the original.

Almost alone on stage, she consistently catches and transforms the attitudes of the production in a way that sheds genuine freshness on the experience: there are moments of stillness and expressive economy about this *Violetta* that make her meaningful and moving both within and beyond the production context.

The rest of the cast have yet to explore their roles so fully. Kevin John's Alfredo is musical but emotionally pallid, Neil Jansen's father strong but stiff and generalised; among the smaller parts only Geoffrey Dolton's Baron registers. David Parry conducts with welcome readiness to expand and linger apart from a rather breathless second act finale. Mr Parry's own new translation seems to me excessively free; in bare *Violetta* and Giorgio Germont

## Jupe's expanding tables are in demand

An example of the expanding dining table patented by John Johnstone in 1838, and made by the firm of Johnstone, Jupe sold for £30,000 at Sotheby's in London yesterday to the London dealer Arthur Fredericks. These "Jupe" tables have recently been fetching very high prices—one sold last year for almost £50,000. The diameter of the table is 5 ft 2 in closed and 5 ft 6 in open.

The table fetched the highest price in a sale of Victorian furniture which totalled £261,954 with just 4.3 per cent bought in Dorset County Council sold a rare ebony veneered ivory inlaid fireplace by Owen Jones, made around 1870 for Fonthill House, Wiltshire, for £14,850.

A one-piece painted rosewood veneered dining-room suite, designed by W. H. Windridge around 1890, made £11,000, and a set of 12 carved mahogany dining chairs, in George II style but made around 1920, more than doubled their forecast at £2,250, selling to the dealer, Smith the Bank. A papier-mâché side cabinet of around 1840 realised £8,200.

A canteen, a stand for holding books and magazines, which by tradition was made from oak from a tree in Windsor Home Park and for royal use, was sold for £1,100 to an American buyer. The elaborate

# Cartoon capers

There is a world of movie-making that in its depiction of cruelty, persecution and physical abuse makes the average "video nasty" look like a *Moral Rearmament* leaflet. I refer of course to cartoons. Where else in cinema can you watch a healthy domestic moggy being subjected, in a three-minute span, to frying, flaying, decapitation and mental trauma? Where but in a cartoon is a dive down a 300-foot cliff a cue for uproarious guffaws? And in what other circumstances would we encourage our children to laugh at a duck with a speech defect, an adenoidal rabbit or a mentally retarded coyote?

Of course the fact that it's a world of cut-out, two-dimensional make-believe keeps the censors at bay—quite rightly—and makes cartoons probably the only exercise-ground for uncensored aggression in all movie art. They are also the genre that transfers most successfully—with their bright colours and robust lines—to video. Who could resist the six mini-masterworks compiled in *MGM Cartoon Magic* (MGM/UA), the best anthology of vintage animation now in the video market? Three of them are by the man many also claim to be Hollywood's greatest comic animator, Tex Avery.

Perpetual motion is the secret of Avery's work. And here are *Screwwall Squirrel*, *Little Rural Riding Hood* and *King Size Canary*, all springing wild invention around the elastic possibilities of the human animal body: from the Big Bad Wolf who turns into everything from a pair of swing doors to a roll of wallpaper while chasing Red Riding Hood furiously round Grandma's home, to trio of dog, cat and canary who keep outdoing each other's monstrous size-changes as they take successive swigs from a bottle of "Jumbo Gro" fertiliser. (They end up drunkenly straddling the globe as the last dreg is drained.)

Avery's comic throwaways are as good as his front-line mirth (note the mouse in *King Size Canary* who sits by his hole reading "The Lost Squeak-end") and he sets a standard by which all modern cartoon comedy should be judged. *Mad Mad Mad Monsters* (Orion), for instance, has a bright idea but stiff execution; Baron Von Frankenstein (voiced in a gruff snuff by a la *Boris Karloff*) holds a wedding party for his monster and the monster's new bride. Everyone from Dracula in the Mummy to the Invisible Man attends, but

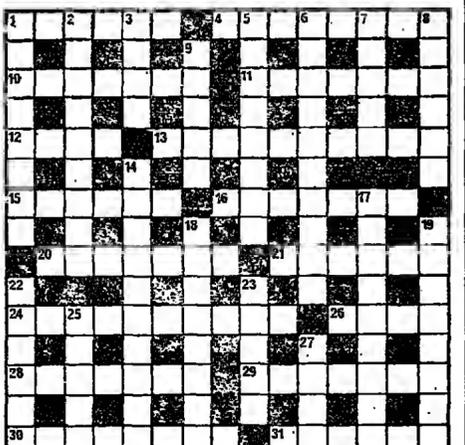
## VIDEO

NIGEL ANDREWS

knowledge of the galaxies. You will visit every planet from Mars to Saturn and goggle at every breakthrough in space exploration from Sputnik to the Space Shuttle.

But for me animation is a movie genre in which works of High Art or higher education have never matched—for inspiration and animus—the loquacious of the best American cartoons. Artists like Tex Avery and Chuck Jones, and the best of the Disney draughtsmen, gave us avant-garde without a capital A. In the years when Picasso was still struggling to make the public accept that painting could freely rearrange limbs and features, objects and landscapes, Looney Tunes, Silly Symphonies and the like were doing exactly that with no protest from anyone. If you want to marvel at their chutzpah and wit collect *MGM Cartoon Magic* and then add *Tom and Jerry* (MGM/UA), *Looney Tunes Video* and *The Bugs Bunny Road Runner Movie* (Warner Home Video), *Bumper Christmas* (MGM/UA) and *Cartoon Sensation* (Precision). That's all folks!

## F.T. CROSSWORD PUZZLE No. 5346



A prize of £10 will be given to each of the senders of the first three correct solutions received. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4A 3DF. Winners' names will be given next Saturday.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

- ACROSS**
- 1 Produced returned bill and sued maker (8)
  - 4 Paid infarmers (8)
  - 10 There's no place for him (4, 3)
  - 11 Fined nf. to some extent (7)
  - 12 Record the same out twice — it's sharp (4)
  - 13 He has an interest in conversion schemes (10)
  - 15 Put little work into bad choice (6)
  - 16 Lead about 3 hundred into deep trouble (7)
  - 20 Make a speech against decimal conversion (7)
  - 21 Trim the Christmas tree (6)
  - 24 Kind of folding chair and table (10)
  - 26 Pass for a mere youngster (4)
  - 28 Artist takes sick during reorganized tour (7)
  - 29 Point behind the ship towards the sunrise (7)
  - 30 Registered having listened for a chance (8)
  - 31 Fine fabric used in making suits (6)
- DOWN**
- 1 She may accompany a young female around Cape Horn (8)
  - 2 Withdraw from the case (9)
  - 3 They absorb heat, and vice-versa (9)
  - 5 It may be made in open court or in camera (8)
  - 6 Duplicate of the same type (6, 4)
  - 7 It is held by a girl in a musical (8)
  - 8 Turns out to have a game on board (8)
  - 9 Forger's block (4)
  - 14 The add-lead leaf may be dug out (10)
  - 17 Close relations in The Guards perhaps (8)
  - 18 Garment one may have to fasten in front (8)
  - 19 Fine as it may be, it must come to a stop (8)
  - 22 Make a legal charge (8)
  - 23 Stir up, going up to get some rest (4)
  - 25 Leading lady of the year? (8)
  - 27 Wine that sparkles as it rises (4)



## LONDON

- BBC 1**
- 6.35 am Godzila, 9.00 Saturday Superstore.
  - 12.15 pm Grandstand, including 12.45 News, The XIV Winter Olympic Games (12.20, 1.55, 2.25, 3.05); Football Focus (12.50); Raelog from Chesham (1.10, 1.40, 2.10); Cricket: One-day International (1.25); Racing from Leopardstown (2.35); International Rugby Union (2.50); Final Score (4.01); International Rugby Union (3.05).
  - 5.45 News
  - 6.00 Jim'll Fix It
  - 6.35 The Action Film: "The Scarlet Buccaneer" starring Robert Shaw, James Earl Ray, Earl Boatman
  - 8.15 The Les Dawson Show, 8.45 News and Sport
  - 9.00 The Odd Job Man, 9.26 Woman.
  - 10.40 Olympic Grandstand, 11.30-1.10 Late Night Horror: "The Reinforcement of Peter Proud" starring Michael Sarrazin, Jennifer O'Neill, Margot Kidder.
- REGIONAL VARIATIONS:**
- Wales—2.25-4.40 pm Whole match commentary on the Five Nations' Championship match between Wales and France, 5.05-5.45 Rugby Union: Grandstand 5.45-6.00 Sports News Wales.
  - Scotland—5.55-6.00 pm Scoreboard, 10.40-11.30 Sportsnews.
  - Northern Ireland—5.55-6.00 Northern Ireland News, 5.55-6.00 Northern Ireland News.
  - England—5.55-6.00 pm London—Sport: South West 1 (11.00-11.15) Spotlight Sport: All other English regions—Sport/Regional News.

## CHANNEL 4

- 2.05 pm Make it Pay.
- 2.35 Abbott and Costello.
- 4.10 Three Stooges.
- 6.02 Brookside.
- 6.30 The Other Side of the Tracks.
- 7.30 News, followed by Union World.
- 8.00 Weekly Twenty Vision.
- 8.35 The Avengers.
- 10.35 The Comic Strip Presents.

## 4C (WALES)

- 1.45 pm A Week in Politics, 2.35 Rybi, Rhngwladol, 4.05 Aesthetical, 5.05 Yr Awr Fawr, 6.05 The Incredible Hulk, 7.00 Ser, 7.30 Newyddion, 7.45 News, 8.25 Treasures Hunt, 9.25 Y Mass Chwarae, 10.15 Arolw, 10.45 Dream Studio, 11.15 Feature Film: The Big Bear.

## REGIONS

- All 12A Regions on London except at the following times:
- ANGLIA**
    - 9.35 am Vicky the Viking, 10.05 Singray, 9.30 pm Knight Rider, 11.05 The Roots of Rock 'n' Roll, 12.05 am At the End of the Day.
  - BORDER**
    - 9.25 am Vicky the Viking, 9.50 Once Upon a Time — Mon, 10.15 The Smurfs, 5.35 pm Knight Rider, 11.05 The Future 12.00 Culling.
  - CHANNEL**
    - 9.25 am Thundarheads, 10.20 Guy Honybun's Hare, 12.14 pm Channel 4 News, 1.00 pm Channel 4 News, 11.05 Guy Honybun's Hare, 5.40 Knight Rider, 11.05 The Roots of Rock 'n' Roll.
  - CENTRAL**
    - 9.25 am The Wonderful World of Professor Kitzel, 9.30 Meal Micky, 9.55 Western Wano, 10.05 The Green Hornet, 5.35 pm Knight Rider, 11.05 The Roots of Rock 'n' Roll.
  - GRAMPIAN**
    - 9.30 am Noddy, 9.45 The Smurfs, 10.10 Falcion Island, 6.35 pm Knight

## SOLUTION AND WINNERS OF PUZZLE NO. 5340

Mrs J. M. Fowler, Banchoy, Church Fields, Kearsfield, Haslocks, Sussex.

Mr A. Thompson, 24 Southview Gardens, Worthing, Sussex.

Dr J. E. Gibbs, 52 King's Paddock, Hampton, Middlesex.

## GRANADA

- 8.25 am Sesame Street, 10.20 Cartoon, 5.35 pm Knight Rider, 11.05 The Roots of Rock 'n' Roll, 12.00 Trailer.

## HTV

- 9.25 am Sesame Street, 10.20 Cartoon, 5.35 pm Knight Rider, 11.05 Hill Street Blues, 12.00 Newhart.

## SCOTTISH

- 9.25 am Cartoon Time, 9.35 Happy Days, 10.00 The Flying Kops, 10.25 Adventure of the Wagon on Mars, 5.35 pm Knight Rider, 11.05 Low Call, 11.10 The Saturday Night Music Show, 11.40 Curling — the Scottish Championships.

## TSW

- 9.25 am The Wonderful World of Professor Kitzel, 9.30 Frame, 10.27 Gus Honeybun's Magic Birthdays, 12.12 pm TSW Regional News, 5.40 Knight Rider, 11.05 The Roots of Rock 'n' Roll, 12.05 Journey to the Unknown, 12.50 am Postscript.

## TVS

- 9.25 am Watson Watson, 9.35 The Smurfs, 10.00 Mark and Mandy, 5.35 pm Knight Rider, 11.15 Jazz, 11.35 Comedy Tonight, 12.05 am Company.

## TYNE TEES

- 9.25 am Morning Glory, 9.30 Sport Billy, 9.55 The Flying Kops, 10.25 The Roots of Rock 'n' Roll, 11.05 The Roots of Rock 'n' Roll, 12.00 Journey to the Unknown, 12.50 am Postscript.

## ULSTER

- 9.25 am Space 1999, 10.20 Cartoon Time, 5.05 pm Uster News, 5.30 Front Row, 5.40 Knight Rider, 9.14 News Weather, 11.05 Star Parade, 12.00 News at 12.

## YORKSHIRE

- 9.25 am Regional Weather Forecast, 10.00 News, 10.20 News, 11.05 News, 10.00 University Challenge, 5.35 pm Knight Rider, 11.05 Pro-Celebrity Snooker, 11.50 Low Grant.

## RADIO 1

- (5) Stereo broadcast
- 9.00 am Tony Blackburn's Saturday Show, 10.00 Dave Lee Travis, 1.00 pm Hilary West, 1.00 pm The Story of Motown, 2.00 Paul Gambaccini (S), 4.00 Saturday Lunch, 5.05 pm News, 5.10 The Call, 5.50 Sitch and Sound in Concert (S) featuring Curly Howard, 7.30 Janice Long, 10.00-12.00 Gary Davies.

## BBC RADIO 2

- 8.05 am David Jacobs (S), 10.00 Sounds of the 60s (S), 11.00 Album Time (S), 1.00 pm Barry Clifton's Comedy Shop, 1.30 Sport on 2, Rugby Union: Five Nations Championship, Wales v France, England v Ireland, Cricket: Reports from Championship on the first one-day international between New Zealand and England, FA Cup: First Round commentary from 3.55, Racing from Cheltenham, 2.15 The Aynsley Chas Cup chase, Winter Olympics: Reports from Sarajevo, 5.00 Sports Report, 5.45 Racing Results, 6.50 Footy news and results, 8.00 Folk on 2, 7.00 Jazz 500s, 7.30 Voice Hill (S), 8.20-9.40 Interval, 9.30 Bandstand, 10.05 News, 10.25 Saturday Rendezvous (S), 11.00 Ken Bruce (S), 1.00 am Jan Chelle (S), 3.00-4.00 Wally Whynon (S).

## BBC RADIO 3

- 8.00 am News, 8.05 Abba (S) Baro, Fibich, Percy Fletcher, Scriabin, Liszt, Monty Python, 9.00 News, 9.05 Record Review (S), 10.15 Concert (S) Rvd, 10.35 Concert from Huddersfield Festival of Contemporary Music (S) Part 1, 11.05 Concert, 12.05 pm Interval, 12.10 Part 2, 12.15 pm News, 1.05 Arrangements Howl, 1.30 News, 1.35 News, 1.40 News, 1.45 News, 1.50 News, 1.55 News, 2.00 News, 2.05 News, 2.10 News, 2.15 News, 2.20 News, 2.25 News, 2.30 News, 2.35 News, 2.40 News, 2.45 News, 2.50 News, 2.55 News, 3.00 News, 3.05 News, 3.10 News, 3.15 News, 3.20 News, 3.25 News, 3.30 News, 3.35 News, 3.40 News, 3.45 News, 3.50 News, 3.55 News, 4.00 News, 4.05 News, 4.10 News, 4.15 News, 4.20 News, 4.25 News, 4.30 News, 4.35 News, 4.40 News, 4.45 News, 4.50 News, 4.55 News, 5.00 News, 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 8.25 News, 8.30 News, 8.35 News, 8.40 News, 8.45 News, 8.50 News, 8.55 News, 9.00 News, 9.05 News, 9.10 News, 9.15 News, 9.20 News, 9.25 News, 9.30 News, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 News, 12.10 News, 12.15 News, 12.20 News, 12.25 News, 12.30 News, 12.35 News, 12.40 News, 12.45 News, 12.50 News, 12.55 News, 1.00 News, 1.05 News, 1.10 News, 1.15 News, 1.20 News, 1.25 News, 1.30 News, 1.35 News, 1.40 News, 1.45 News, 1.50 News, 1.55 News, 2.00 News, 2.05 News, 2.10 News, 2.15 News, 2.20 News, 2.25 News, 2.30 News, 2.35 News, 2.40 News, 2.45 News, 2.50 News, 2.55 News, 3.00 News, 3.05 News, 3.10 News, 3.15 News, 3.20 News, 3.25 News, 3.30 News, 3.35 News, 3.40 News, 3.45 News, 3.50 News, 3.55 News, 4.00 News, 4.05 News, 4.10 News, 4.15 News, 4.20 News, 4.25 News, 4.30 News, 4.35 News, 4.40 News, 4.45 News, 4.50 News, 4.55 News, 5.00 News, 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 8.25 News, 8.30 News, 8.35 News, 8.40 News, 8.45 News, 8.50 News, 8.55 News, 9.00 News, 9.05 News, 9.10 News, 9.15 News, 9.20 News, 9.25 News, 9.30 News, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 News, 12.10 News, 12.15 News, 12.20 News, 12.25 News, 12.30 News, 12.35 News, 12.40 News, 12.45 News, 12.50 News, 12.55 News, 1.00 News, 1.05 News, 1.10 News, 1.15 News, 1.20 News, 1.25 News, 1.30 News, 1.35 News, 1.40 News, 1.45 News, 1.50 News, 1.55 News, 2.00 News, 2.05 News, 2.10 News, 2.15 News, 2.20 News, 2.25 News, 2.30 News, 2.35 News, 2.40 News, 2.45 News, 2.50 News, 2.55 News, 3.00 News, 3.05 News, 3.10 News, 3.15 News, 3.20 News, 3.25 News, 3.30 News, 3.35 News, 3.40 News, 3.45 News, 3.50 News, 3.55 News, 4.00 News, 4.05 News, 4.10 News, 4.15 News, 4.20 News, 4.25 News, 4.30 News, 4.35 News, 4.40 News, 4.45 News, 4.50 News, 4.55 News, 5.00 News, 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 8.25 News, 8.30 News, 8.35 News, 8.40 News, 8.45 News, 8.50 News, 8.55 News, 9.00 News, 9.05 News, 9.10 News, 9.15 News, 9.20 News, 9.25 News, 9.30 News, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 News, 12.10 News, 12.15 News, 12.20 News, 12.25 News, 12.30 News, 12.35 News, 12.40 News, 12.45 News, 12.50 News, 12.55 News, 1.00 News, 1.05 News, 1.10 News, 1.15 News, 1.20 News, 1.25 News, 1.30 News, 1.35 News, 1.40 News, 1.45 News, 1.50 News, 1.55 News, 2.00 News, 2.05 News, 2.10 News, 2.15 News, 2.20 News, 2.25 News, 2.30 News, 2.35 News, 2.40 News, 2.45 News, 2.50 News, 2.55 News, 3.00 News, 3.05 News, 3.10 News, 3.15 News, 3.20 News, 3.25 News, 3.30 News, 3.35 News, 3.40 News, 3.45 News, 3.50 News, 3.55 News, 4.00 News, 4.05 News, 4.10 News, 4.15 News, 4.20 News, 4.25 News, 4.30 News, 4.35 News, 4.40 News, 4.45 News, 4.50 News, 4.55 News, 5.00 News, 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 8.25 News, 8.30 News, 8.35 News, 8.40 News, 8.45 News, 8.50 News, 8.55 News, 9.00 News, 9.05 News, 9.10 News, 9.15 News, 9.20 News, 9.25 News, 9.30 News, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 News, 12.10 News, 12.15 News, 12.20 News, 12.25 News, 12.30 News, 12.35 News, 12.40 News, 12.45 News, 12.50 News, 12.55 News, 1.00 News, 1.05 News, 1.10 News, 1.15 News, 1.20 News,

COLLECTING

When Germany scored on toys

BY JANET MARSH

THE ANNUAL Nuremberg Toy Fair, which has just ended, must be one of the world's oldest trade fairs: it has been held for at least 800 years.

The first and most important factor in making Nuremberg a centre of the toy industry was the proximity of the Thuringian and Alpine forests. Wood carving was the traditional occupation of the mountain villages in the long snow-bound winters. While the master carvers made religious objects for the churches, the women and children worked up the offcuts of wood into small toys, which were carried down from the mountains and sold in Nuremberg after the spring thaws.

The toys were left in the white wood, to be painted in the city by the members of the painters' guilds. Other craftsmen, too, such as the pewterers and iron-founders participated in the toy industry. With the industrial revolution, factory production of toys began in the area, which was rich in resources of metal and wood and fuel. The second half of the 19th century saw the rise of important concerns like Bing and Nuremberg, one of the best and most prolific makers of toy trains and magic lanterns. In the half century before World War I the German toy industry, centred on Nuremberg, dominated a world market; and still held a lead in the years up to 1939.

An extraordinary, vivid evocation of the Nuremberg toy trade at its peak in the second half of the 19th century is pro-

vided by a rare wholesale catalogue of toys which Sotheby's are to sell on February 28. It comes from the fine collection of children's books formed by the Dutch banker Conrad Frederic van Veen (1913-82). The London sale of the van Veen collection on February 28 is the first of three: the second and third, devoted mainly to Dutch children's books, will be held in Amsterdam.

The old wholesaler's catalogue is in two large oblong volumes containing 175 lithographed plates, brilliantly coloured by hand. The plates illustrate well over 1,000 toys, often crowded together on the page in surrealist juxtaposition. It seems to represent the stock of a firm of wholesalers called G. G. Fendler and Company, and was evidently the *Magisches* (sample book) which the firm's travelling salesman took around the retailers. The illustrations are annotated by hand with prices and information about available sizes.

It offers an enthralling insight into the world of middle-class childhood in the 19th century. The novelties which—even within living memory—gave German toys their superior appeal are very evident: a special ingenuity, an almost pedantically realistic approach that has a special appeal to the child mind, a primitive holdness in the use of colour.

In Feodler's catalogue the toys are neatly arranged in sections: musical instruments, optical toys, shops, stables, forts, kitchens and other rooms,



Page from German toy wholesaler's catalogue C.1370

mechanical figures, sand-operated moving pictures, model landscapes, trains, carriages and other wheeled toys, soldiers, carpentry sets, and a special section of papier-mache models.

The roles of the sexes are rather emphatically distinguished. For girls there are kitchens, equipped with elaborate cooking ranges and large repertoires of pans; dolls' rooms, furnishings and table-ware; a wonderful fashion shop, "Pariser Mode," with shelves stacked with bolts of cloth and window displays of bonnets that must have been 30 years out of date in the 1860s and 1870s when the catalogue appears to have been printed. Dolls, oddly enough, do not figure very much in the catalogue.

Boys' toys in Bismarck's Germany have a definitely militaristic trend: there are drums, trumpets, guns, swords and military hats and helmets in great variety, as well as model

forts of ranging price and elaboration. There are pages of pop guns, firing coxes attached by a string. One, which cannot have been much fun, has a ready-made target, a wooden French soldier, attached six inches in front of the end of the barrel.

Commerce was clearly an acceptable pastime for boys. There is a wide variety of grocery stores, stocking such archaic provisions as sugar cones; and a "Dutch warehouse." Today's collectors can only dream of possessing the transportation toys advertised: brass-funnelled locomotives, horse-drawn buses and fire engines (several models, including the "American-style") and carriages specially geared so that the horses gallop realistically.

The optical toys in the catalogue include pages of magic lanterns. English opticians made the finest professional projection lanterns in the world, but Germany dominated the

market in toy magic lanterns of the home. The catalogue also advertises one of the most effective nineteenth century peepshow devices, the French "Polyorama Panoptique," which produced charming effects of changing light in the scenes it displayed. By chance, the van Veen collection actually includes one of these attractive toys, though the price has changed somewhat from that pencilled into the catalogue: at auction the Polyorama will realise between £300 and £500.

The catalogue itself is expected to realise a price well in excess of £2,000, and it is to be hoped that it may be acquired by a museum in this country. For collectors who cannot compete for the actual object, a fine selection of plates from a similar catalogue is reproduced in *Crista Pleske's* attractive picture book *Spielzeug aus alten Nürnberg Musterbüchern*. It is available from Collocks' Toy Museum, 1, Scala Street, London W1 at £55.

Peter Robbins on today's rugby match v. Ireland

A crisis for England

AFTER THE bitter disappointment at Murrayfield (February 4), England today face perhaps the biggest crisis of their season in psychological terms. A defeat by whatever means or whatever margin, would leave the English season in ruins and present all sorts of problems for the match in Paris on March 3. Clearly a win would be a great boost for a team that shows five changes from the one which lost to Scotland. But have the lessons been learned from that defeat and have there been enough time for Greenwood to acclimatise the replacements?

It is argued, fantastically I thought, that if Hare had kicked his goals England would have won. This disregard of Dods' three misses and the knock on by Rutherford that could have given Scotland a try. True an early success might have lifted England but with what response from the Scots? No, the game is not about his but about facts. A team banking almost solely on the success of its place kicker is indeed barren.

One of the major faults in Scotland was the sheer lack of match fitness particularly by Wheeler, Colclough and Simpson. That lack of fitness should have been remedied by now but once again a feebly team is in prospect between the two back rows. Cooke is playing tremendously well and Hall was splendid when he came on to replace Winterbottom. I thought the selectors should have waited before deciding to leave Winterbottom out this time. Scott played one of his best games for England but, along with almost all other number eights, insists on holding the ball far too long at scrums in good attacking positions. This tactic is one of the factors in the decline of back play and it needs to be noted that one needs solid scrum power to make such a tactic really effective. The

recall of Blakeway gives the scrum solidity but less mobility. England never had a solid back support against Scotland nor could they sustain any real impetus in the close forward play. They spun away like individual hoola hoops but then the Scots took the ball off them as though taking lollipops from children. The Irish specialised in the hand-to-hand stuff and therefore I would like to see the emphasis placed on rucking rather than balling. It is clearer and quicker.

It could be argued that England did not exercise the options they had against Scotland, but in fairness after the first 50 minutes when the pack was already beaten there were either few available or the players were completely inhibited. Today particularly with Underwood and Carlton on the wings, and with five out of the seven backs coming from Leicester, we really ought to see some attempt at the style of play cultivated by that famous club. If we do not then England supporters are entitled to ask why they are being picked or bloc. I thought Huw Davies was treated harshly and so this particular match is crunch time for Woodward, Hare, Cusworth and John Scott.

The whole team have got to think positively and confidently to make the Irish run. A limited game will bring no rewards and even more calamity from the faithful thousands that live in such hopes.

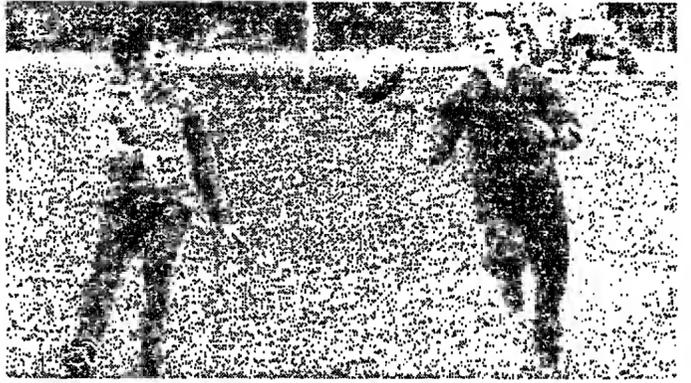
Ireland are without Fitzgerald, their Lions captain. Whatever the official version is, it is clear that he has been badly treated. What short memories people have. He says he is fit and so does the team doctor and his exclusion from the side has stirred up a huge row in Irish rugby circles. Why have they chosen Duggan of all people to captain the side.

given his habit of conceding penalties at regular intervals. There are other selections that indicate that factionalism is not the sole prerogative of the Welsh. The dropping of McCoy and Duncan after one game could scarcely engender confidence in the others. Duncan has now been restored following Slater's withdrawal.

A great deal depends on the new scrum-half Doyle who, I understand, is a quick passer but rather on the frail side. So far Ireland have relied on Campbell's tactical and penalty kicking and I see no change in that pattern especially as Ireland are playing four wings in the three quarters. Finn's last representative game in the centre was some seven years ago and the basic role of Irish three quarters these days seems to be almost exclusively a defensive one tacked onto which is the pursuit of the fly half's lucks.

It is all very dreary but if England do show in discipline—and Bainbridge, if frustrated at the time out has a short fuse as last year's match showed—then Ward will punish those indiscretions. England should win because of their greater ball skill outside and, as Ackermann's try indicated, the Irish defence really can be woeful. That try was very welcome but, with respect to Ackermann, was vastly helped by the waning through of the Irish defenders.

The match at Cardiff is a fascinating one in prospect particularly with two sets of talented backs in opposition. Wales are always difficult to beat at the National Stadium but I think the generally greater athleticism of the French plus the brilliance of Gallion and the kicking of Lesarboura will see the French finishing as winners.



New England Rugby Caps, Rory Underwood and Bryan Barley, training for today's match

Trevor Bailey looks at the F.A. Cup race

More upsets expected

A GREAT fascination in Cup football is the shock results it regularly provides. This season has witnessed even more than the usual quota of "giant" killings, which are certainly underlined in the draw for this weekend's FA Cup fifth round.

Nearly all the big glamour clubs—Liverpool, Manchester United, Tottenham Hotspur, Aston Villa, Nottingham Forest and Arsenal—have been eliminated, leaving just seven teams from the first division, five from the second and three from the third. Of the remaining first division sides, only West Ham, Norwich and Watford are currently in the top half of the draw which suggests more surprises in store.

After their remarkable run in the Milk Cup, Oxford, in front of their own crowd, have every right to feel confident about beating Sheffield Wednesday. And despite their impressive victory over Aston Villa in the first leg of the Milk Cup semi-final this week, Everton who have been so unconvincing at home might well be held to a draw by Shrewsbury, who are capable of playing better football than their position in the second division might suggest.

West Bromwich have just sacked their manager Don Welsh and coach Mike Kelly and should globe up Plymouth from the lower regions of the third division—but not if they

perform as ineptly as they did at home to Notts Forest when they were thrashed 5-0. Is there any reason for the exceptional number of upsets? Manchester United, for example, must have the highest wage bill in the land and a surfeit of high-class players and were expected in many quarters to succeed Liverpool as the premier team. But they were knocked out of both cups by third division opposition, while Liverpool experienced considerable difficulty before overcoming Watford to reach the Milk Cup final for the fourth year in succession.

It would be nice to think it was a case of levelling up, but in my opinion it is due to noticeable levelling down. It is doubtful whether the first division has ever contained so many limited, very fit—well drilled rather dull teams, a view which is substantiated in a number of different ways including declining sales.

First, a number of clubs—including Arsenal, Ipswich, Spurs and Aston Villa—are neither as good, nor as entertaining as they were a couple of years ago. They all have clearly gone back. Second, the first objective of a team which gained promotion to the first division used to be, unless it was quite exceptional in aim to acclimatise itself to the more rarified atmosphere.

Now, 2000 but hardly outstanding sides—like Watford who finished second last year, QPR and Norwich—are able to make an immediate impact.

Third, at the moment the club most likely to prevent Liverpool from carrying off the title yet again is Nottingham Forest. Despite the handicap of limited resources and a small budget, Brian Clough has once more shown his remarkable managerial skill by producing yet another effective and efficient team. But in terms of footballing skill it is some way behind the best elevens he fashioned at both Derby County and Forest in the past.

One reason for the drop in standards must surely be the shortage of outstanding football players. Recently, I have seen some football in South Africa, and the control shown by their black footballers when in possession, but I stress not that of the ball, was superior to that of most young first division footballers.

Which clubs will go through to the next round? I fancy West Ham, probably after a draw, Watford, Norwich who are playing with enormous zest and Middlesbrough despite an indifferent away record. Having from the outset made Southampton my bet for the Cup despite an opening away tie at Notts Forest, I am staying with them, possibly with a little luck, all the way in Wembley.

Torvill and Dean let down

THE GAMES at Sarajevo mark the Diamond Jubilee of the Winter Olympics—a fact which none of the countries issuing stamps for the event appears to have taken note of. The first winter sports were tackled on 10 the French Olympics of 1924, almost as an afterthought, but by the time of the third Games, at Lake Placid in 1932, the event was sufficiently well established for the host country to make a modest philatelic contribution, in the shape of a single 2c stamp depicting a downhill skier.

Such has been the momentum of philately in the past half century that the U.S. has honoured the Sarajevo Games with a block of ten 20c stamps. They were inaugurated at Lake Placid on January 8 to coincide with the Biathlon National Championships and the U.S. Olympic Team tryouts. The stamps feature ice-dancing, Alpine skiing, cross-country skiing and ice hockey.

Ice-dancing was also the theme of the entire series of seven stamps released by Hungary in mid-December. Each stamp, by László Dudas, depicted one of the phases of a figure but by an ice-dance couple, in recognition of the fact that this is a winter sport in which Hungarian competitors excel.

The accompanying 20c stamp sheet incorporates all seven phases and by the ingenious use of shading the illusion of movement is conveyed.

STAMPS

JAMES MACKAY

ous use of shading the illusion of movement is conveyed. Sad to say, Britain, which has produced the most spectacular ice-dance couple in recent years, Jane Torvill and Christopher Dean, is making no philatelic contribution to the event.

Yugoslavia's set of six stamps has concentrated on the more rugged aspects of the Games. The pair of 4 dinar stamps featuring ski-jump on Mount Isman (Veli Kopole) and the slalom track on Javorina (1,913 metres high). The two 16.50d stamps show the bobsleigh run at Trebevie (1,847 metres) and the Alpine downhill track at Bjelasica (2,067 metres).

The ice hockey and skating stadia at Zvira appear on the pair of 23.00d stamps, while the Games emblem, comprising the Olympic rings over a stylised snowflake, provided the motif for the 5nd souvenir sheet.

The German Democratic Republic's set of four stamps concentrates on events in which East German athletes have won gold medals in previous Games. The 10+5pf alludes to the prowess of Ortrun Enderlein and Thomas Köhler in the heischick event.

Since 1924 "the crown of Nordic ski sport" has been the

Nordic combination event, slown on the 20+10pf stamp, and consisting of the 70 metres ski-jump and the 15 km cross-country run. Both stamps bear a small premium in aid of the East German Olympic team.

The other stamps show the ski sprint and 30 km langlauf (25pf) and the Biathlon (35pf) which combines cross-country skiing with rifle marksmanship. A miniature sheet containing a single 55pf stamp with an aerial view of the Skenderija sports centre in Sarajevo completed this issue.

A separate Winter Games for the Disabled was first staged in Sweden in 1973, followed by the Handicapped Winter Games at Gelle, Norway, in 1980. The third of these events took place at Innsbruck in January. Innsbruck was host to the Winter Olympics in 1964 and 1976 and sets of stamps were issued on both occasions. The Third World Winter Games for the Disabled was marked by a 4+2 schilling stamp showing a one-legged skier using specially adapted sticks on a downhill run.

Precisely Disabled Winter Games did not enjoy the patronage of the International Olympic Committee, but the Mayor of Innsbruck headed a delegation to IOC President Samaranch at Lausanne and won the official endorsement of the Olympic governing body. For this reason the Olympic rings appear not once but twice in Valentin Wurmlich's design.

HIGH STREET WINES

CULLENS is one of the smaller wine chains, but also one of the more serious. Forty of its 80 south-of-England branches are specialist off-licences, holding a wide range of wines. It also runs a wine club, whose 4,000 members secure 10 per cent discount on purchases. After asking to taste a representative 20 white and red wines, I picked out the following:

WHITE Alsace Pinot Blanc (Gisselbrecht) 1982 (£2.79). A zesty wine led to a dry but zesty taste. Still on the green side, but should develop over the next few months into a wine of an Alsace wine of this class.

Gewürtraminer Kabinett 1981 (£3.29). Many Gewürtraminers are too aggressive in flavour, but this Austrian one is very well-balanced, with the qualities looked for in this wine and not over-sweet; for it should be dry.

Ch. du Juge 1982 (£2.69). This basic Bordeaux Blanc has a nice clean nose, with no sulphur so common with these wines, an attractive, slightly lively taste and more character than many such.

Gran Vina Sol (Torres) 1982 (£2.99). This Catalonian wine from the best producer is 70 per cent made from the local Parellada grape and 40 per cent Cabernet-Sauvignon. As always, it has a full nose and plenty of flavour. A mouthful of wine and exceptional value.

Château de Meursault 1980 (£5.15). Already showing some colour with very nice nose and powerful flavour. Almost 100 rich, but 200d for the year.

Show Chardonnay (Bosemount) 1982 (£2.55). The Australian Hunter-River Chardonnay has the slight colour, the

oaky nose and flavour, with a good deal of richness that is associated with Australian Chardonnays, and is relatively inexpensive compared with the French originals.

RED

Chabertay Nouveau (Patriarche) N.V. (£2.49). A new competitor for Beaujolais Nouveau. This soft easy-to-drink wine is made half and half from Gamay (the heaujolais grape) and Syrah (the top Rhône one). The result is a rounder, less acid wine, with rather less crispness, but still youthful freshness. Worth trying alongside a good Beaujolais Nouveau.

Altn Adige Cabernet (Kettmeir) 1980 (£2.99). Good Cabernet vines are being produced just south of the Brenner, and this one has a big colour and a fruity nose and taste, with good depth of flavour. An agreeable glass of red wine.

Ch. Les Burries 1982 (£2.39). This Bergerac, next door to Bordeaux, has a fine claret nose, and though very young is a wine of real class and softness, inexpensive too.

Ch. Elalgaon, Médoc 1978 (£3.65). This Médoc cru bourgeois, has a fine blackcurrant nose, a light colour, with still some tannin on the taste, and is a middle-rank claret of some distinction. Good value for its age and origin.

Beaune Iré Cro (Patriarche) 1978 (£3.50). One cannot expect a wine of this rank to be cheap, but of medium colour and fairly light flavour with an engaging bouquet, this has the style and class of true burgundy.

Cabernet-Sauvignon (Hill Smith) 1978 (£8.25). Here is an opportunity to sample a typical big bold South Australian red wine of class, deep in colour, very oaky in aroma and flavour, with a port-like intensity; not surprisingly at an alcoholic strength of 13½ degrees, but none the less attractive for that, and inexpensive in terms of age and quality.

Edmund Penning-Rowell

When not to sow seeds in the airing cupboard

THOSE GARDENERS who ordered seeds by mail have probably received them by now and some may be wondering when to sow them. The answer will depend considerably on the facilities that are available both for germination and for growing on. Getting lots of seedlings from an airing cupboard only to find that there is nowhere in the light where the temperature will be in any way comparable.

But warmth is not the only factor which controls sowing date. Day length also comes into it, most of all with tropical plants which have developed their growth pattern to a near identity between the length of day and night. They can be considerably disturbed by our temperature variations which may range from only a few hours of daylight in winter to a similarly short period of night in the summer.

I do not think that this greatly affects the actual germination of many seeds but it does unquestionably make a big difference to the health and growth rate of many seedlings. Begonias tend to grow very slowly until about April when we approach a balance between

the length of day and night and they, as well as many other plants, respond with much faster growth.

April is also the month when a great many seeds are germinating outdoors whether they have been sown or have been naturally distributed. For all these reasons I would say: "When in doubt sow in April." But this is not the whole answer to the problem. April can be too late for some plants if they are expected to give a good display for a good return if they are food crops the same year. Begonias sown then will germinate all right but it will doubtless whether they will start in flower until August which is much too late for summer bedding though it could be quite satisfactory for autumn and winter flowering indoors.

Professional gardeners with well lighted and adequately heated glasshouses, and maybe the additional possibility of giving artificial illumination if required, have already sown their begonias, and probably also their antirrhinums and scarlet salvia. Few amateurs would be well advised to sow any of these before the middle



GARDENING

ARTHUR HELLER

of February even though that will mean sowing plants and later sowing.

An air given a propagating frame in which a temperature of 65 to 70 degrees F can be maintained irrespective of weather and also a greenhouse in which 55 degrees F can be the minimum from late March onwards, there is much to be said for sowing the majority of half hardy annuals and tender perennial plants during the last week in February and the first in March. Though they will lag behind the plants raised by professionals it will not be by so many weeks as might be supposed since the plants should grow fast right from the start.

But there are some special cases. Seed of impatient seeds, such as impatiens, needs a temperature of at least 70 degrees F, preferably a degree or so more, as well as full light for satisfactory germination. Not for it the dark airing cupboard above the hot water tank for though the temperature there is

probably quite adequate, the lack of light can prove fatal. Canna seed also needs a lot of warmth and even then may be slow because the seed coat is so hard and moisture resistant. A common recommendation is to soak the seeds in warm water for 24 hours (some say 48 hours) before sowing.

I have never been quite sure whether those who advise this mean precisely what they say. If so the water and seeds would presumably have to be kept in a vacuum flask to keep them warm all the time. No one ever mentions this and my own belief is that they put the seeds into fairly hot water and let it cool naturally. Sweet peas suffer the same hazard of a hard seed coat, especially the black seeded varieties, and these are also often soaked for many hours before sowing. Another method is to chip the seed coat with the point of a penknife to let water in but this needs to be done with extreme care not to damage the germ of the seed.

Raising the temperature in which seeds germinate does not always result in quicker germination. For many seeds temperatures above an optimum, which can be as low as 65 degs F, actually retard or even prevent germination. I remember the year when I thought I had sown rad lettuce seed and I sowed it outdoors. It came up like the proverbial mustard and cress. The previous sowings in my greenhouse had evidently been inhibited by too high a temperature.

Most hardy annuals are best sown outdoors where they are to flower so that they can grow without the check of being transplanted. In most parts of Britain, except the mildest, April is the best month for this in so far as the soil warming up, the days lengthening and everything being favourable for growth. Favourable, that is, in a normal year but I have known April so dry that nothing would germinate unless watered, a dislike having to water seeds outdoors because the soil is rarely so porous that it can take a deluge without becoming baked. But really this is a case of knowing your soil and also having patience to apply water very slowly through a fine rose or sprinkler.

It is an odd fact that most seeds germinate most satisfactorily in soil that is not very rich. For this reason seed composts contain very little fertiliser and this, in turn, means that plants quickly starve in them. It is always best to get seedlings pricked out small and this is made doubly necessary by the low food reserves in most seed composts, especially those based on peat. This is not a criticism of peat seed composts which are very good and have just the right texture to make seeds grow well and enable them to be pricked out with minimum root damage but it is an odd reason for moving seedlings early into a richer potting compost which will contain more readily available food.

Brackley Canopies CONCRETE GARAGES

GROW ASPARAGUS It's easier, cheaper and faster than you think...

Sponsors needed for our skiers

NOW THAT the curtain is about to come down on the weather-blighted winter Olympics, the old argument is starting again—sporting professionalism is back in the news. The cartoon in an American newspaper this week summed it all up. It showed two Olympic skiers, one plastered with labels promoting commercial products, the other with no such adornments, but the letters CCCP across his chest. "We may not call it an endorsement," the Russian is saying, "but they pay us to wear it."

There is no escaping the fact that amateurism in winter sports died a long time ago. Most of the activities involved are simply too demanding of both resources and skills for the true amateur really to survive. It is perhaps for that reason

that the skating events have held such a fascination for TV viewers in the past couple of weeks. Here at least is a winter sport that contains some entertainment and perhaps even a dreg of something within the realm of aspiration. No wonder that the exploits of Torvill and Dean have kept the British on edge while Americans have been riveted to the performances of their tiny figure skater, Scott Hamilton.

Hamilton, who stands 5ft 5ins and weighs a shade less than eight stone, and Torvill and Dean were the salvation of their nation's television stations. The weather-induced chaos on the Alpine ski slopes sent coverage costs soaring. Without Torvill and Dean this would have been a grim Winter Olympics indeed for Britain, and there must be some ner-ousness over preparations for Calgary. While there is not much doubt that the talent will be forthcoming, whether there will be enough sponsorship to maintain the demanding training levels is another question.

Sponsors need a return for their investment and British winter athletes do not have the glamour or modal prospects of some of their summer colleagues.

Perhaps it is time that some of the ski package tour companies and airlines that reap such benefit from recreation sports enthusiasts could put a little back into the business and help to send a well-trained team to Calgary.

ARTHUR SANDLES

# Fiddling while Rome burns

IT HAS been an eventful week. At one extreme, the Treasury has produced a public spending White Paper which seems to contain considerably less wishful thinking than past efforts in this direction, and a learned paper on the narrower definitions of the money supply. Both these developments should promise rather less accident-prone management of the economy in future.

Meanwhile, on a broader stage, President Reagan's Middle East policy has been reduced to rubble, there has been an incalculable change of regime in Russia, and the Common Market authorities appear paralysed as they watch the sands run out on the Budget crisis. Even on our smaller stage, disturbing news keeps cropping up—the disclosure of further misdeeds at Lloyd's, the Government ploughing into the Cheltenham impasse like a supertanker running up a sand-bank.

## Bitter realism

This catalogue of accidents and imponderables may appear for the most part remote from the broad stream of economic development—even the famous Common Agricultural Policy has become like an old wound, which just gives a twinge in bad weather. Taken as a whole, they do have an important message. In an uncertain world new uncertainties, and new displays of incompetence, can only tend to undermine confidence. Confidence—what Keynes called “the animal spirits of entrepreneurs”—is probably the most important economic fact of all.

It would be sheer escapism, then, to devote too much space to the Treasury's careful manoeuvres, even if they are in their way reassuring. The reassurance in the White Paper is in any case of a rather double-edged kind. It is more credible than past White Papers because it expresses the plans of a government which has learned some bitter realism. Mrs Thatcher's recent confession on television that she could see no way to cut spending below present plans is faithfully mirrored. It is a sad come-down from the days when the Iron Lady promised to rescue the economy from the burden of public spending.

There are still some questionable points—especially on the vexed question of local authority spending, which the Government has no absolute power to control, and on pay levels. This has led to some sceptical City comment. In a more important sense, however, the White Paper may be too pessimistic. Every revision of the official statistics confirms what every shopkeeper knows—the economy is recovering quite briskly. If this can be sustained, outlays on the uncontrolled and uncontrollable items—social security, debt interest and the like—could fall. The totals are so large that even a small fall here

would help a lot, as the Labour Party, now trying to define a more sensible economic policy, keeps reminding us.

One useful indicator of the strength of the recovery, as the Treasury has discovered, is Mo, the new fancy name for the issue of notes and coins. However, do not believe that the Government has discovered some wonderful new lever to control the economy. The note issue mirrors economic events precisely because nobody tries to control it. If it were targeted, and interest rates manipulated to persuade holders to economise on notes, the relationship would vanish. This discovery is strictly for the academics.

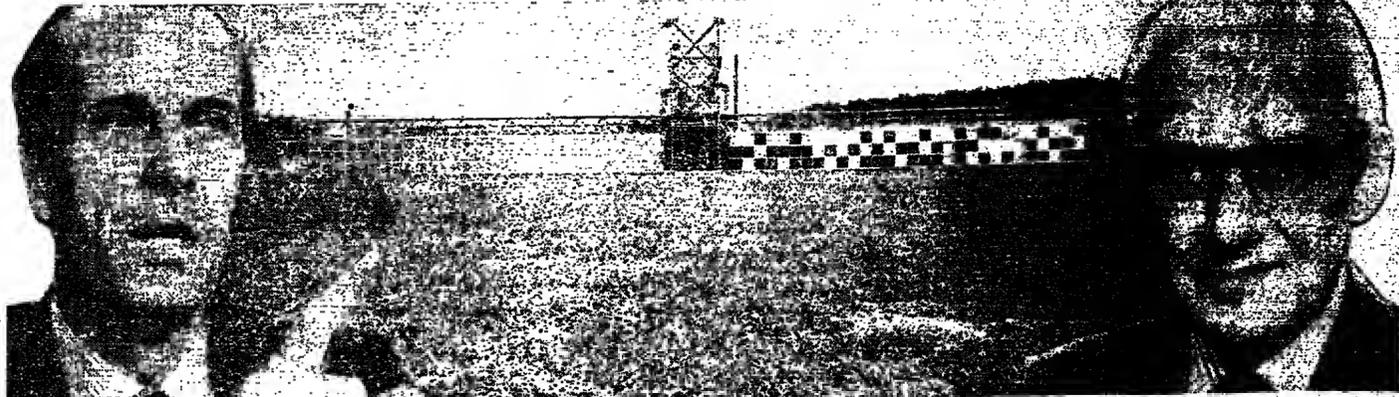
Once we ask whether the recovery is indeed likely to persist in the medium term, we are back in the big political world where confidence is made and destroyed, and back especially in the world of the dollar. There have been two contradictory developments here. In the U.S., the latest statistics have confirmed that the recovery is by no means as shaky as the fourth-quarter figures for 1983 seemed to suggest. The fall in retail sales and activity was probably due, after all, to the savage winter weather. The news of profits, however, remains disappointing—a rather odd consequence of an over-valued dollar. The result has been that the dollar has again weakened rather than fallen off a cliff, as so many stale bears have predicted; but Wall Street has not put on any convincing recovery.

## Severe setbacks

For the slightly longer term, the interesting figures may not be so much economic as political. President Reagan has suffered some severe setbacks, and is being manhandled by the media—on holiday while his world crumbles. If this disaffection grows into a serious electoral threat, he could have a dollar collapse in good earnest to add to his troubles.

An economic fundamentalist, in investment terms, would have to treat this as good news: a lower dollar would take pressure off interest rates, help to resolve the endless international debt crisis (which is the burden of the world for many of our Third World trade partners) and reduce the risk of U.S. protectionism. A chartist, however, would draw attention first to the shock to confidence. The recovery in the UK depends on actions which would boost domestic confidence at the same time.

Investors must hope, then, that the Government soon reverts from its fit of winter melancholy that the Common Market governments will again discover accommodations on the brink of disaster—and perhaps, indeed, that Mr Chernomir proves to be as gull as a dog as he is reputed to be. And that, investors may conclude, is an uncomfortably long list of “ifs”.



Norman Tebbit, Trade and Industry Secretary (left) and Sir Malcolm Wilcox, chairman of Inmos, face a difficult choice over the future of the company, whose South Wales plant is shown centre

THE GOVERNMENT will soon have to make up its mind whether Inmos, Britain's state-backed microelectronics venture, is a budding infant prodigy with a vital role to play in the future of the country's high-technology industries—or an unwanted problem child.

The issue is set against a political background far more complex than the world into which Inmos was born only six years ago. At that time, a Labour Government eager to light a flame of hope amid the gloom of industrial decline gave the company's founders virtually a blank cheque to create a British-owned entry in the glittering microchip business.

Today, Inmos's future is caught up in a web of often conflicting priorities. Arguments for its strategic importance to Britain—which have in some ways grown stronger recently—vie with a Government commitment to cut back industrial intervention and the Treasury's quest for hudgetary savings.

Inmos's mixed parentage does not help either. Control is divided between the Department of Trade and Industry, its ultimate sponsor, the British Technology Group (BTG), its majority shareholder, and its own management, which is in a position to exercise considerable influence over its future.

The debate has been brought to a head in the past fortnight by the £50m offer from American Telephone and Telegraph, the largest U.S. telecommunications company for most of the BTG's 75 per cent stake in Inmos. Though Inmos has been looked over by more than a dozen companies including GEC, Plessey 2000 Rascal of the UK and Motorola, Commodore and Emerson Electric of the U.S. this is the closest that any has come to making a firm bid.

AT & T has extensive microchip production in the U.S. Acquisition of Inmos which has a modern plant in South Wales as well as in Colorado would give it the European base it needs to avoid the 17.5 per cent EEC tariff on imported chips. It would also give AT & T the calling card it needed to sell chips to major British customers. But it is doubtful whether AT & T would allow Inmos the freedom to pursue its independent mission in the longer term. Yesterday Inmos rejected the bid.

AT & T may yet decide to return with a better offer however. Its bid was well below the £200m at which the BTG's U.S. advisors assess Inmos's market value and would not

even cover the £55m in public funds injected into the company so far. If it had been accepted it would have invited accusations that the Government was selling out to a foreign predator at a bargain basement price—and just when Inmos's business appears to be coming right.

Inmos has never been far from the centre of political controversy. Its creation in 1978 was opposed by many senior British industrialists, including Lord Weinstock of GEC who argued that it was too risky and would lead to an uncontrolled drain on public funds.

The Conservative Government has nonetheless reluctantly injected a further £40m in capital and extended loan guarantees of a similar amount. But it has insisted since the start of last year that all specialised components made by other British companies such as GEC, Plessey and Ferranti, standard chips are mass-produced in huge volumes to a fixed pattern.

At present, Inmos's product range consists entirely of memory chips. It expects later this year to launch an innovative device which it calls a “transputer”, which packs on to one chip the data processing power of a medium-sized computer.

While technically ingenious, the transputer challenges conventional wisdom in semiconductor engineering. Some electronics experts doubt that Inmos has the muscle to impose his ideas on the rest of the industry. “Conceptually, the transputer is

fine,” says Mr Malcolm Penn of Dataquest, the U.S. market research consultancy. “But from a market viewpoint, Inmos will need to get either a very big customer or a major competitor to commit themselves to it.” Whether or not the transputer catches on as Inmos hopes, the company's involvement in standard chips is starting to look much more defensible today than its critics would have allowed even a year ago.

One argument in its favour is the recent acute shortages of certain types of popular components in Britain, currently Western Europe's most buoyant semiconductor market. The scarcity has particularly affected fledgling entrepreneurial customers, such as manufacturers of personal computers, which are not large enough to commit themselves to long-term bulk contracts. Though Britain has attracted

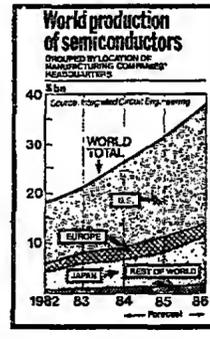
# Inmos A prodigy at an awkward age

By Guy de Jonquieres

Inmos's prime target is the mainstream world market for “standard” microchips, dominated today by U.S. and Japanese manufacturers. Unlike the more specialised components made by other British companies such as GEC, Plessey and Ferranti, standard chips are mass-produced in huge volumes to a fixed pattern.

At present, Inmos's product range consists entirely of memory chips. It expects later this year to launch an innovative device which it calls a “transputer”, which packs on to one chip the data processing power of a medium-sized computer.

While technically ingenious, the transputer challenges conventional wisdom in semiconductor engineering. Some electronics experts doubt that Inmos has the muscle to impose his ideas on the rest of the industry. “Conceptually, the transputer is



## THE WORLD LEADERS

1983 semiconductor production for open market\*

Company	(\$m)
Motorola (U.S.)	1,550
Texas Instruments (U.S.)	1,550
NEC (Japan)	1,340
Hitachi (Japan)	1,035
Toshiba (Japan)	880
National Semiconductor (U.S.)	850
Intel (U.S.)	745
Fujitsu (Japan)	530
AMD (U.S.)	485
Philips (Netherlands)	475

\*Excludes production by captive manufacturers supplying own company  
Source: Integrated Circuit Engineering

## Letters to the Editor

### Wages

From Mr H. Dykes, MP  
Sir—Yet another call for wage cuts, apparently to increase jobs, and this time from Mr Ian MacGregor, the Coal Board chairman, speaking to business executives in Brussels (February 15).

Although beguiling at first sight to such an audience, the harping back to such a Victorian assertion must be a mistake, which surprises me from a man of such experience.

Cutting real wages is all right in theory. If you do it in reality throughout the economy, you institute yet further deflation and depression, *ceteris paribus*, as indeed we had in the UK economy over 1979-1982. Our recession was worse because of this reason much more serious than elsewhere. Britain already has the lowest wages of any larger economy in Europe, our social costs are pro-rata often lower than more successful economies and we have one of the highest export ratios in the world for a leading economy.

Good Conservatism philosophy must surely mean raising real money-wages, not cutting them. In social terms too, industrial leaders who advocate wage cuts for the millions of wage earners must be ready to accept the same for their own smaller legion.

Hugh Dykes  
House of Commons, SW1.

### Sunday

From the Chairman and Managing Director, Jacco.  
Sir—It is reported (February 13) that the board of Woolworths is in favour of changing the Sunday trading laws.

and persistently defy the law and then complain that they are sometimes—infrequently in fact in relation to the number of offences committed—prosecuted.

Selective observance of the law by an individual or trade union would be rightly condemned. The board of Woolworths has elected to place itself above the law and join the law-breakers. Whatever the merits of the issue, lawbreaking as a deliberate part of corporate policy is a development to be deplored.

Philip Jeffrey,  
Bofour Road,  
Sotwell, Notts.

### Investors

From Mr D. Burgoyne.  
Sir—As the deadline approaches for negotiated commission charges by stockbrokers is it too late I wonder, for the Stock Exchange council to ensure that the big institutions do not secure benefits denied to private investors in the market.

While such institutions will quite rightly argue that they secure cost reductions that they secure will benefit small investors in unit trusts, life insurance, friendly societies etc., it is surely important that the Stock Exchange heads the calls for fair treatment of private investors. There is talk of the institutions being able to negotiate much reduced commission charges in future, the loss of earnings to brokers being made up by increased minimum charges payable by small private clients.

When the appropriate committee of the Stock Exchange carried out its studies and presumably interviewed various interested bodies did anybody put forward the interests of private investors? I feel that a list of people interested, and who they represented, should be published. If no private investor was interviewed because

nobody came forward I now volunteer to put forward the interests of small investors—Sir Nicholas to note please!

I have invested directly in 52 companies over 17 years and have derived great enjoyment. My records are open to interested parties—I have rarely suffered burnt fingers and it will be a sad day when people like myself, buying to £500 to £800 lots are driven out of the market by minimum charges of £20 or so. I would advocate a minimum charge of £10, which at 1.65 per cent standard commission would make it relatively unattractive to deals of less than £800 but at the same time there should be a maximum charge of 1.65 per cent on deals above £600. I hear that investors are flocking back into the market on Wall Street and the time has come to attract more investors to our own market before the big institutions take over completely.

David A. Burgoyne,  
Tudor Lodge,  
Winston Gardens, Boston,  
Lincolnshire.

### Management

From the Chairman, Business Graduates' Association.  
Sir—MBAs seem to take a lot of the blame for the failures of British management (Management Page, February 6) which in view of our numbers is out of proportion.

Unfortunately criticism of MBAs is often based upon a false image rather than the facts. MBAs are accused of constantly changing jobs for greener pastures yet our surveys show that MBAs change jobs no more often than all other graduates. MBAs are accused of being greedy and overpaid yet a survey of MBA salaries for mature managers with years of practical experience showed an average of just over £18,000—not overpaid in comparison perhaps with lawyers and journalists.

You will appreciate that with inflation at 5.3 per cent per annum the real return to a basic rate saver receiving 8 1/2 per cent tax free from a building society is 3 per cent. A one point reduction in the 8 1/2 per cent would cut the real income of the saver by a third. This would be a far more serious loss to the saver than the benefit accruing to a borrower, whose interest charge was reduced from 1 1/2 per cent to 10 1/2 per cent.

Geoffrey Price,  
31 London Wall Buildings,  
London WC2.

### Regions

From Mr M. Fallon, MP

Sir—What this country desperately needs is fresh enterprise in the worst of regions. The business expansion scheme gives tax relief for individuals investing in new and unquoted companies. What is needed is a similar scheme for companies giving those in assisted areas real fiscal incentives to invest their spare cash in new or small companies within their immediate locality.

Michael Fallon,  
House of Commons, SW1

### Savers

From the Honorary Director, Savers' Union.  
Sir—We are concerned at the apparent bias shown by the Financial Times against savers and in favour of borrowers. When building society interest rates are discussed, your authors use such phrases as “any hope of a general cut in mortgage rates” or “little prospect for the cheaper building society loans.” But for savers, who provide the money that enables building societies to function, lower mortgage rates imply reduction in their income, even though living costs are still rising.

You will appreciate that with inflation at 5.3 per cent per annum the real return to a basic rate saver receiving 8 1/2 per cent tax free from a building society is 3 per cent. A one point reduction in the 8 1/2 per cent would cut the real income of the saver by a third. This would be a far more serious loss to the saver than the benefit accruing to a borrower, whose interest charge was reduced from 1 1/2 per cent to 10 1/2 per cent.

Geoffrey Price,  
31 London Wall Buildings,  
London WC2.

### Advice

From Mr D. Thomas

Sir—As someone taking an interest in the fortunes of small savers, I have watched with distress the inadequacy of advice concerning investment in friendly societies. While investment by this route, albeit on a limited scale, offers handsome tax-free returns, there seem to be several problems. In particular, how much is one allowed to invest? It is clear what the limit is per society, but while some societies state that the limit life insurance of £2,000 covers investments in all societies, others invite business either without asking if you already have a policy with a rival, or turn a blind eye to such information.

A national firm of accountants gives quite ambiguous advice to its clients, while a friend who enquired of his accountant whether he could invest up to the insurance cover of £2,000 in more than one society was recently told that certainly he could.

Another friend who invested with a friendly society eight years ago has just received a letter stating it believed that she had a policy with another

society and so would have to cancel her policy. It offered “*ex gratia*” interest (amount unstated) for the four-fifths of the investment period already past.

When she protested the society explained that in 1976 her application form stated she had another policy, implying that it was at fault in accepting the investment in the first place... and then added that perhaps after all it would let things stand.

I have a letter from another friendly society saying that really it should not accept business from me since I already have my £2,000 policy with a rival, but advising me to go ahead since nobody would find out—and, it added, the government would be sure to change things anyway.

Newspaper columns are full of advertisements and editorial comment, practically none of which tells you clearly what you are entitled to hold. And only occasionally does a journalist hint that the charges made by some friendly society-linked investments are outrageous. Even the recent “Which?” report on friendly societies was quite inadequate. It does not encourage a sense of fairness.

David St John Thomas,  
Brunel House,  
Newton Abbot, Devon

### Elgar

From Mr M. Brown

Sir—Dominic Gill (February 7) may be so ascetic as not to care for either Cardinal Newman's verse or Elgar's setting of it, but the ill-natured, patronising and excessive insults he threw at both of them demand a rebuke. The rebuke is simple: one of such lofty brow and fastidious tastes should be aware that vulgar abuse is the province of fishwives, not disciples of St Simeon Stylites. Michael Brown,  
Inglewood, Salway Ash,  
Nr Bridport, Dorset.

sizeable manufacturing investments from foreign microchip companies including National Semiconductor and Motorola of the U.S. and NEC of Japan, they organise their marketing on a Europe-wide basis and have no special allegiance to the UK. A British-owned company such as Inmos would, it is argued, be more inclined to favour its home market.

A second—and emotionally still more powerful—factor is the deepening concern in Europe about the impact of the Reagan Administration's curbs on U.S. high technology exports on friendly countries. A recent example was IBM's reminder to UK customers that the use of their computers was subject to American law—an incident which brought strong protests from Mr Norman Tebbit, the Trade and Industry Secretary.

It is widely accepted that many advances in semiconductor technology are forged in the competitive disciplines of the standard microchip business, where finding ways to cram ever more circuits on to silicon is a key to commercial success. Inmos can claim to be closer to the cutting edge of such technology than any other British company.

But the standard semiconductor business is also quite ferociously capital-intensive. It requires continuous investment in modern equipment, the cost of which is rising at astronomical rates. The rule of thumb in California's Silicon Valley is that it takes more than a dollar of investment to gain a dollar in sales.

Such brutal economics have already forced many Silicon Valley companies to merge with larger industrial partners. The Department of Trade and Industry believes that Inmos will have to look to such an arrangement eventually, though probably not before next year.

The Government would prefer a British partner. But despite its efforts to use AT&T's offer to get an auction going, serious UK bids are in short supply. GEC, with £1.5bn in cash available, has expressed some interest. But it would see Inmos's facilities and technology primarily as a means of strengthening its position in custom-built chips, where it already has a profitable business in Marconi Electronic Devices.

Inmos's three founding shareholders, Briton Dr Ian Barron and Americans Drs Richard Petritz and Paul Schroeder, are well-placed to drive a hard bargain. Though they control only 13 per cent of the equity, their agreements give them an important say in the company's future ownership. The Govern-

ment fears that any attempt to pressure them into an unwelcome takeover could lead to protracted U.S.-style litigation.

It is also questionable how much on-shore technological independence Britain can derive from Inmos alone, even if it remains UK-owned. It has a sophisticated design facility and an ultra-modern production line in Britain. But it relies heavily on know-how developed at its plant in Colorado, which controls the vital process technology—the master recipe for making chips—and still has considerably higher production volume than the Newport factory.

The largely American staff in Colorado have not always seen eye-to-eye with their British counterparts over the balance between short-term commercial results in the U.S.—Inmos's largest market by far—and the longer-term objectives of the UK design team headed by Dr Barron.

Inmos is considering plans to transfer some process technology to Newport, if it can raise sufficient finance. GEC has indicated that if it took the company over, it would go further: it would merge Inmos with its own chip business and make Britain the centre of the combined operations, perhaps closing the Colorado plant down eventually.

There is a growing belief in the UK industry, shared among others by Lord Weinstock and Sir Kenneth Corfield, chairman of Standard Telephones and Cables, that Britain cannot become genuinely competitive in the world electronics market unless it has the capacity to make such equipment itself. But the investments needed to develop a comprehensive equipment industry are likely to be large, and many of the necessary skills lie on the other side of the Atlantic.

A similar combination of circumstances, in a different context, led of course to the creation of Inmos itself. It is hardly surprising that the Government should flinch from the formidable challenges implied in following a full-blooded strategy of national independence in electronic technology to its logical conclusion. Whether that will lead it to sell Inmos to a foreign bidder with no commitment to continuing the company's mission remains to be seen. There are undoubtedly a number of possible options lying between these two extremes. While none of them looks particularly easy, the Government probably has some time in hand—at least while the current boom in chips continues.

# Let the taxman increase your pension

M&G offers a range of pension contracts which make the most of the taxman's generosity and combine it with M&G's well-known investment expertise.

Check the Plans below to see which one meets your own needs, and tick the appropriate box.

**M&G Flexible Pension Plan**  
The tax relief available on this Plan makes it the most important investment for anyone who is self-employed or has earnings which do not carry pension entitlement.

**M&G Executive Pension Plan**  
This Plan covers the pension needs of directors and senior executives, with the Company's contributions an allowable expense for tax purposes. Should the executive change jobs this Plan can be transferred to the new company.

**M&G Additional Voluntary Contribution Plan (AVC)**  
AVCs are designed for members of company pension schemes who wish to boost their pensions.

To: The M&G Group, Three Quays, Tower Hill, London EC3R 6BQ. Tel: 01-626 4588.

Mr/Mrs/Miss INITIALS \_\_\_\_\_  
SURNAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
POST CODE \_\_\_\_\_  
TELEPHONE NUMBER \_\_\_\_\_

LT 530814  
The above can be obtained in booklet form  
Republic of Ireland

**M&G Life**

Handwritten signature or mark at the bottom of the page.

# The shadow of Macmillan

By Malcolm Rutherford

THE MUSIC this week has been insistent: Chopin's funeral march at the obsequies of President Andropov and Dean's Bolero at Torvald and Dean's superb performance at the Winter Olympics.

Even the Attlee Government, which historians and participants agree, had run out of steam by around 1948, survived the 1950 general election, though with a greatly reduced majority.

The Bolshevik came to Covent Garden under the administration of the then Mr Harold Macmillan and a great success it was. It is not only the music nor even Mr Macmillan's acceptance of an earldom on his 90th birthday that brings back that memory.

The immediate comparison, however, is between the Macmillan period and Mrs Thatcher's second administration. There is one great dissimilarity. Macmillan did not become Prime Minister by popular choice.

There is a sub-pattern which is just as important. When a political party has been in office for a good number of years and looks like remaining there for a few more the opposition party begins to change.

In 1959 he won a general election with an increased Tory majority. He went through all sorts of ups and downs, more downs than ups in the later stages. There were more banana skins than have ever been in Mrs Thatcher's path so far.

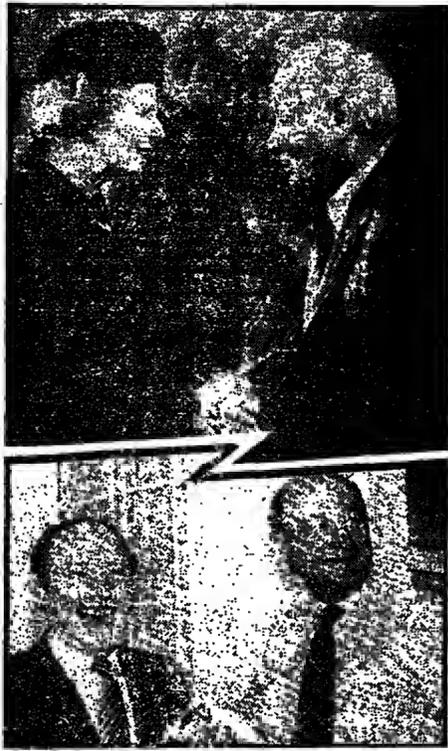
Thus Hugh Gaitskell fought to persuade the Labour Party to drop its constitutional commitment to public ownership of the commanding heights of the economy and fought also against the party's demand for unilateral nuclear disarmament.

It is a modern myth that he was a great orator. Mr Nigel Lawson, now the Chancellor of the Exchequer, was recruited from journalism by the chairman of the Conservative Party with the specific aim of making Macmillan's speeches less boring. He had been thought to be going on too much about the number of houses built and the plans for better roads; in other words, an unexciting, though by the time that Mr Lawson arrived Macmillan had been succeeded by Sir Alec.

When Gaitskell died, he was succeeded by Mr Harold Wilson, as he then was, who seemed to be even more of a moderniser. He was taken very seriously, both at home and abroad. The Labour Party of the early 1960s really did appear to represent the wave of the future.

The political climate then seemed pretty squalid; not only banana skins but scandals, like Profumo, and spy stories like Vassall. There were the first realisations of Britain's relative economic decline. Yet the Conservatives almost recovered enough to win a fourth general election in a row. And, in retrospect, much of the contemporary judgement was wrong. There was everything to be said for building more houses, constructing a better roads system and for accepting the Robbins report on the expansion of the universities.

Two points emerge. One is that it takes a long time to get a party which has come to power on the crest of an idea out of office. The other is that the Labour Party today might just be beginning to be in the position of winning the intellectual argument, rather as it was under Gaitskell and then the early Mr Wilson.



A week of travels: Mrs Thatcher meeting Mr Chernenko, the new Soviet leader, in Moscow and Mr Kinnock joking with New York mayor Ed Koch during his trip to the U.S.

There was a great deal to be said, too, for foreign policy; for instance, his contribution to the partial test ban treaty, which helped to defuse the Aldermastoo movement.

The trouble is, however, that after a while the public seems to become bored with governments, and governments—the longer they are in office—the more they are in office—tend to become less capable of explaining even their best policies to the public.

Mr Thatcher's second administration is not at that stage yet, and may never get there, indeed the latest Gallup Poll in the Daily Telegraph on Thursday—it may be aberrant—suggests that her party has moved even farther ahead; Tories 43 per cent, Labour 33.5 per cent and the Alliance 21.5 per cent. That compares with a Tory lead over Labour in January of only 3.5 per cent. But there are still a few ominous signs.

involvement in the Cementation contract in Oman has never quite taken off, but it has also failed to go away. Such matters, however unjustifiably, can leave a nasty taint on a government in its second term in office. Certainly that was the Macmillan experience.

Mrs Thatcher's decision to attend President Andropov's funeral was probably right. After all, her nearest equivalent in terms of European politics, Chancellor Kohl of West Germany was going to be there, anyway, and the British would never believe that it would be wise to leave the conduct of East-West European relations to Bonn.

At home, the publication of the Government's medium-term expenditure plans this week appeared little more than a bookkeeping exercise. The Government is determined to stick to its spending targets and there is no reason to doubt that, more or less, it will succeed, since that seems to be the only target. There is no rationale of why money is spent in one area and not in another.

Mr Thatcher has the inestimable advantage of a divided opposition, which her predecessors had not. Yet the point is that any government in its second term is likely to become vulnerable, whether due to its own arrogance, to public boredom, or to the opposition catching up.

It may also be true that oppositions are at their most threatening when they start to borrow from the governing party. That was how the Social Democrats finally came to power in West Germany. They abandoned Marxism and embraced the social market economy. Churchill did something comparable in post-war Britain; he accepted the basic reforms of the Attlee administration as given, and returned to office.

Mr Neil Kinnock, who no longer needs to be described as the new Labour leader, has just had a very professionally managed trip to the U.S. The American Embassy in London spent a lot of energy trying to persuade his predecessor, Mr Michael Foot, to cross the Atlantic, even if only for a lecture tour, but he always declined. Mr Kinnock went almost at the first opportunity and did himself no harm, neither here nor there, by having a quarrel about Central America. He looked like a young man on the way up.

Mr Roy Hattersley, the deputy leader and shadow chancellor, began a series of speeches on economic policy this week which suggested that thinking had moved on since the compilation of the party's 1983 manifesto. State intervention was to be much more selective and there was an admission of the need for adjustment on the supply (rather than the demand) side of the economy.

In short, the Labour Party leadership does seem to be recognising that the grounds of the argument have changed. Its case is that it would manage matters more humanely and more efficiently. And for that there is much to be said. It is the familiar pendulum swing of British politics: from laissez-faire to intervention and back again and what is the correct course in between?

Anyone who looks back at Britain in the late 1970s and early 1980s will probably note that the most significant development was North Sea oil. Without it the economy would have been quite different. Mr Hattersley said that oil was now a wasting asset and implied that its benefits had been frittered away.

Still, it is worth looking up the last Labour Government's White Paper on the subject, The Challenge of North Sea Oil, published in 1978. It admitted that there was no way in which oil revenues could be usefully separated from other revenues, but claimed that the Government "sees scope for a considerable reduction in taxation in the next few years."

Taxes haven't gone down, even under the Tories. But old melodies come back. The oil may be disappearing and the old economic problems may be about to return. At the very least, the Government has a case to answer. It is not enough to say, though it is probably true, that it would have been much the same under Labour. The opposition parties could be beginning to have the better tunes while acknowledging that the style of music has changed.

# Why Irish eyes are smiling

By Brendan Keenan in Dublin

THEY WILL soon be able to dial the outside world in Ballyporeen, when the new telephone exchange is installed, which is probably just as well. In June, when President Ronald Reagan visits the village where his great-great-grandfather was baptised, at least 2,000 journalists are expected to arrive with him.

But Ballyporeen does not think of itself as out of the way. It is the rich dairying country known as "the golden vale" and the local farmers can give chapter and verse on the intricacies of the EEC's milk policies.

Councillor Donovan keeps a shop in the village, where groceries, haberdashery and wellington boots have been joined by a new line in Ronald Reagan T-shirts. "This will put us on the tourist map," he says. The active community council has asked the local equivalent of the Women's Institute to organise accommodation for the thousands of visitors expected for the Presidential stopover.

Coun. Donovan feels the village has been ignored because it is on the county boundary between Cork and Tipperary. "We need improvements to the roads and a public convenience," he says. Villagers would like to see some manufacturing industry established locally.

Michael went to England and his marriage is recorded in Southwark, South London in 1852. One of his sons, John, emigrated to the U.S. His grandson is now President.

In the past, tourists tended to miss us, either going South towards Cork and the West, or North to Dublin. "Now we must gear ourselves to cope with visitors and show what we have to offer."

The O'Farrells—"I'm an entrepreneur," says John—took just 12 hours to assess the implications of the Debrecht's discovery. Within a week they had opened the "Ronald Reagan lounge" and now have a souvenir shop above the pub. Sachets of clay from the ancestral graveyard are a popular seller at 80p a time.

President Reagan's welcome is likely to fall somewhere between the ecstatic reception given to President John Kennedy in 1963 and the coolness and demonstrations which greeted President Richard Nixon in 1970.

In a way, President Reagan could not have chosen his ancestors better. Ballyporeen's name is quaint enough, even by Irish standards, to have inspired a humorous song. Its literal translation, "the place of the small potatoes," seems almost too good to be true. The village is hardly pretentious, but nestles picturesque between the knick-meadow and Galtee mountains.

President Kennedy firmly represented Catholic Irish America and had relations still living in Wexford. Nixon's Millhouse ancestors were Quakers from Co Antrim, in what is now Northern Ireland, and the Vietnam war protestors threw eggs at him during his visit.

Things have not always been quiet there, however. Mr O'Farrell, who traces the family business back 300 years, recalls how the previous premises were burned by British auxiliaries, the "Black and Tans" during the 1920s troubles.

President Reagan's Irish ancestry comes somewhere between the two. The Irish Catholic Church, however, has been critical of current U.S. policy in central America.

## Weekend Brief

### Working (and rowing) up to Cambridge

The tides of change are rising ever faster for the Oxford and Cambridge boat race, which will leave the stakeboats for the 140th time at 1 pm on March 17.

Having studied for A levels on trains on his way to work, he will be repeating that experience this summer when he will have to commute from Cambridge to London every day to train—ironically with two Oxford men—in the national eight for the Los Angeles Olympics.

Oxford will be boating most of the foreigners—with Graham Jones of the University of Sydney and New College, where he is reading for a DPhil in clinical biochemistry, captaining from No. 6—and four other overseas men including twins Mark and Mike Evans from Canada.

Cambridge will be hosting a Canadian and an American; Steve Berger of Dartmouth College and Trinity, who is Cambridge's first U.S. president since 1975, when Steve Tourek led the light blues to their most recent victory.

Never short of excitement, the event has seen, in the past seven years, the near collapse through lack of money, a sinking, the last-minute withdrawal of a sick Cambridge stroke man, its first female cox and a bitter dispute over the eligibility to row of a 28-year-old Oxford research fellow.

Neither of them planned to row in the boat race when they first came to England; indeed Jones believed he was throwing away his chance to row for Australia at Los Angeles.

Berger (23), who like his Oxford counterpart is competing for the second time, admits: "I knew very little about the event when I came here."

This time, a record number of overseas oarsmen will be competing in the race—three Canadians, two Australians and two Americans—and it will be the first time that both crews will row under foreign presidents.

One attraction for foreign oarsmen, he explains, is that it is probably the only race in the world where the crews compete side-by-side over 4 1/2 miles. Normally, long-distance competitions are timed individually.

Another series of firsts are being scored on the domestic front in the shape of the light blues' formidable No. 6 man, John Pritchard. He is the only boat race oarsman to have coached blue boats at both universities and cooked for and substituted in the Cambridge crew he was training.

### Troubled heart searching in Hackney

The City and Hackney district health authority in London chose St Valentine's Day this week to draw attention to the problem of heart disease among Britain's working men and women.

St Valentine's Day, with the slogan Have a Heart for Hackney, was tailor-made for the launch of one of the first mass "heart attack and stroke prevention programmes" in the country.

Pritchard (26), will also be the first rowing blue to come from Robinson College, where he is reading law (blues are not officially awarded until the race has passed the Fulham Wall at Putney on the Middlesex station).

He could also be the first of a new generation of Cambridge oarsmen, having left St Clement Dane's grammar school in Wandsworth at the age of 16 with no A levels.

Pritchard spent three years as a professional cook to finance his rowing career, before being selected for a place in the British National eight, in which he has competed four times, winning silver medals in the Moscow Olympics and in the 1981 world championships.

When 19, he started training as a solicitor's articled clerk in the East-End, and spent his few spare moments studying for A levels in law, economics and politics. "I wanted to do a degree, which I applied to Magdalen, which turned me down. Then Robinson rang out of the blue and I accepted like a shot," says Pritchard.



Graham Jones, Oxford's President and Steve Berger, President of Cambridge with the Ladbrooke Trophy.

Dr Ken Grant, the medical officer for the City and Hackney, likens the scale of the problem to the cholera epidemics that used to sweep across the country in the last century—except that less is done to counteract it.

"If these people were dropping dead from an infectious disease such as cholera or legionnaires disease, there would be a public outcry, and everyone would be on my back to do something about it," says Dr Grant.

"Not all but a great deal of coronary heart disease can be prevented, just as infectious diseases can. It is more difficult, but we have to tackle the problem and we intend to start in Hackney."

Free screening at Shore ditch Health Centre will be available for anyone between 35 and 64, with special exercise, anti-smoking and weight-watching follow-up groups for anyone identified as a heart risk.

The scheme is financed by £120,000 over three years from the Environment Department's inner city aid programme. At the forecast rate of screening, that works out at £2 a head, with the aim being a cur in heart-related deaths of 50 per cent in the area in five years.

Staff on the programme contrast the £2 with the £11,000-a-head cost of heart transplants, which have no statistical impact on the heart disease problem.

For the moment the City is being left out of the prevention programme, although the district authorities have responsibility for the residents, and perhaps at least a moral responsibility for the thousands of commuters who arrive every day.

Doctors point out, however, that contrary to popular belief the high-flying executive is a better heart disease risk than the unemployed labourer, which is a good reason for starting the prevention programme in Britain's poorest borough.

Heart disease killed only ten people in the City in 1981 while

drug users. Local psychiatrists also blame the influence of American television programmes on an impressionable public.

These developments have coincided with an explosion in the narcotics trade from Asia. Interpol officials believe that Pakistan, Afghanistan, Iran and India now account for nearly half of the world's supply of heroin, perhaps more than the historic Golden Triangle area in the Far East.

A few years ago most of this traffic passed overland through Iran to Europe. But with the chaos generated by the Iranian Revolution and the harsh penalties handed out to smugglers, the trade has been redirected to the seaports and airports of the Gulf. A large part of the business is arriving in the hundreds of wooden boxes which daily criss-cross the Gulf.

So worrying is this growing heroin trade that last month Dubai hosted a convention of customs officials and police officers from nine Arab states to discuss tactics in fighting the business. It was attended by British customs agents and officials from America's Federal Drug Enforcement Administration.

Dubai police, which have one of the most active narcotics squads in the area, report that so far this year they have seized some 311 kilos of drugs attempting to pass through the Emirates. This compares with only 47 kilos last year. Even more alarming, say the police, is the fact that a growing amount of the narcotics seized is heroin and opium.

This year, some 74 kilos of heroin of 98 per cent purity was discovered together with some 89 kilos of opium and 136 kilos of hashish.

Interpol agents say that American heroin addicts are usually to be found using heroin of only 5 per cent purity. Broken down in lots for individual sale on the streets of New York, the quantity of heroin seized in Dubai is worth around \$200m, say officials. But this represents only a small fraction of the total volume which may have passed through undetected. International police forces estimate the normal success rate of smugglers is only 10 per cent, and 50 per cent is enviable. Dubai police ambitiously say they are aiming for a detection rate of 80 per cent.

Local police forces in the Gulf fear that some of the heroin passing through may be staying in the region for local sale. Overdosing on very high quality of heroin is all too easy.

Local police forces in the Gulf believe that many of the foreign students returning from universities or holidays are coming back as established

Contributors: William Dawkins, Kevin Brown, Kathy Evans

## BUILDING SOCIETY RATES

	Share %	Sub'n shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty. Higher interest sec. 90 days' notice or charge 5.00-7.50 Cheque Save
Aid to Thrift	8.50	—	—	—
Alliance	7.25	8.25	8.25	Monthly Income—3 months' notice 8.50 28 days' notice. Imm. withdrawl. 28 days' penalty 8.25 7 days' notice. No interest penalty 8.75 3-year Bond. No notice. 3 months' penalty 8.50 Capital Share. No notice 1 month's penalty 8.25 7 days' notice
Anglia	7.25	8.25	8.25	8.25 7 days' notice. 8.50 2 months' notice
Birmingham and Bridgewater	7.25	8.75	8.25	1 mth's notice or 30 days' int. pen. £500 min.
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand 8.25 7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice. 8.50 2 months' notice
Cardiff	8.00	8.75	—	—
Catholic	8.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2 1/2 years
Chelsea	7.25	8.25	8.75	Immed. withdrawl (int. pen.) or 1 mth's not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.00	9.00	8.25 1 mth's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty Xtra Interest PLUS 28 days' notice, no penalty 8.75 Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	8.25	5-Day Notice Share Account
Hemel Hempstead	7.25	8.50	8.75	3 years. 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.00	25 days plus loss of interest. 8.25 3 months
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	8.75	4 yrs., monthly int. 8.75 1 mth. notice or pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min. 28 days' notice/penalty
Lester	7.25	8.25	8.25	3 months. 9.02 compound 3 years
London and Grosvenor	7.75	—	8.25	High Yield (1 mth)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.75	8.75	3-yr. term with 0.5% banus on mat'y if rein'vd.
Mornington	8.50	8.50	—	—
National Counties	7.55	8.55	9.10	28 days' notice + loss of interest. † £1,000+
National and Provincial	7.25	8.25	8.50	1 month's notice or immediate and interest loss
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdrawl. with 28 days' loss or notice 8.75 4 years. 8.25 28 days' notice, or on demand with penalty 8.50 90 days' notice, or on demand with penalty
Newcastle	7.25	8.50	8.75	4 years. 8.25 28 days' notice, or on demand with penalty
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen. 8.75 Premium Moneyspinner on demand, 28 days' loss of interest on amount wdl.
Norwich	7.25	8.50	8.50	City Account, immed. wdl. with no penalty
Paddington	7.75	9.25	8.75	1 mth's not., or 1 mth's int. loss on sums wdl.
Peckham	8.00	—	8.25	1 month, 8.50 2 years, 9.00 3 years
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.06 6 months, 8.75 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice 8.50 £5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 days' notice, 8.50 Ex. 7.50 Sh. a/c £2,500+
Sussex Mutual	1.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. 1-yrly. Int. Monthly income wdl. facility 8.50 7 days' notice no interest penalty. 1-yearly int.
Wessex	8.30	—	—	—
Woolwich	7.25	8.25	8.25	7 days' notice 8.50 28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

# Forshaws Burtonwood bids £9.4m cash for Border

BY CHARLES BATCHELOR

Forshaws Burtonwood Brewery of Warrington yesterday put in a £9.4m cash bid for Border Breweries (Wrexham) in an attempt to block the talks which began earlier this week between Border and an unnamed potential bidder.

Mr John Dutton Forshaws, Burtonwood's chairman, said: "We do not know who the mystery third party is, but we had been having unofficial talks of our own with Border over the last couple of months in the hope of agreeing a bid."

"We could do nothing when it emerged that there was another possible bidder."

Burtonwood is offering 175p per share. Border's shares rose 42p yesterday to 182p, indicating that the City expects a bid battle for the Wrexham company. Burtonwood's shares fell 26p to 315p.

Both Burtonwood and Border have public houses in Wales and serve adjacent geographical areas. Burtonwood said it believed it was important to maintain the independence of breweries of the combined size of itself and Border.

Burtonwood made a pre-tax profit of £2.78m on turnover of £20.05m in the year ended March 31 1983. It had net tangible assets of £22.65m at that date. In the six months ended September 30 1983 pre-tax profit was little changed at £1.33m on

## DIVIDENDS ANNOUNCED

Company	Date	Current payment	Corr. of year	Total last year
Arden & Cobden	April 2	5.5	5.5	5.5
Glasgow Stock	April 2	1.65	1.65	1.65
Hadland Holdings	Mar. 27	1.68	1.68	1.68
Updown Inv.	Mar. 23	2.9	2.9	2.9

Dividends shown pence per share. Equivalent after allowing for scrip issues. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

slightly higher sales of £10.75m. Border made a pre-tax profit of £930,000 on turnover of £15.76m in the year ended February 28 1983. It had assets of £9.43m at that date. In the six months ended August 31 1983 profits rose by £18,000 to £476,000.

Burtonwood said its offer represented a p/e ratio of 21.3 times Border's earnings per share in the year ended February 1983 on a standard tax charge.

Border has performed unimpressively in recent years partly because of the depressed local economy and high unemployment levels.

Whitbread, Greenall Whitley of Warrington and the Liverpool-based Higsons Brewery have all been suggested as potential bidders for Border by analysts.

Whitbread and Higsons are in a trust arm hold a combined 19.6 per cent stake in Border but any

# Elf UK increases Berkeley holding

By David Dodwell

Elf UK, the subsidiary of state-controlled Elf-Aquitaine of France, yesterday topped up its controlling stake in Berkeley Exploration in a gesture intended to "demonstrate to the market that we do not intend to stay passive" while outsiders build up a substantial stake in Berkeley.

The purchase of 25,000 shares, lifting Elf's total holding to 29.25 per cent—comes two days after Mr Paul Bristol, who heads Bristol Oil and Minerals, revealed his company had acquired a 15.16 per cent stake in Berkeley.

Mr Bristol controlled Berkeley until last year, when he sold his 30 per cent holding to Elf at 325p a share. His average repurchase price this week has been 105p.

Mr Arnold Rousseau, managing director of Elf UK, said yesterday that the latest purchase had been at about 140p per Berkeley share.

"This was not a money-making operation," he said. "The purpose was to demonstrate to the market that we should intend to stay passive." Berkeley's shares jumped 8p on the developments, to reach 143p.

It is understood that Mr Bristol approached Elf in January asking if the company was prepared to sell its stake in Berkeley. Elf said it was not.

"We would rather not have Bristol Oil as a large shareholder," Mr Rousseau said. "By purchasing in the market today, we were indicating to the market that we have no agreement with him."

He conceded that, with 29.25 per cent of Berkeley's shares already under its control, Elf's scope for staving off outside purchases without triggering a full bid was limited.

In the two years Elf has been involved with Berkeley, its principal shareholders Sun Chemical Corporation and Condensate interests, and successfully bid for a 0.25 per cent stake in BP's Forries field. This will give the company—which continues to make losses—production earnings for the first time.

"The company is just at the start of its operations, and needs some time to elaborate its strategy and show its true potential," Mr Rousseau noted.

# LLT financial plans well advanced

BY CHARLES BATCHELOR

London & Liverpool Trust (LLT), backer of the ill-fated Tele-Jector project to put big screen television sets into pubs and clubs, announced yesterday that plans for a financial reconstruction have reached an advanced stage.

LLT has reached outline agreement to shift responsibility for £18m worth of Tele-Jector guarantees to the eight finance houses which provided the original funding.

The finance houses are, in turn, very close to reaching agreement to sell the Tele-Jector portfolio of installed TV sets to another organisation, Mr Geoffrey Cross, LLT chief executive, said yesterday.

The company is also negotiating the sale of its copyrighting and car exhaust

manufacturing and distribution businesses with annual turnover of £5m-£6m so as to concentrate on its business equipment distribution business.

It expects to have to raise more than £4m-worth of new equity either in the form of a placement of shares with institutions or by making a rights issue once it has drawn up revised projections for its results.

It anticipates issuing shares representing more than half its enlarged share capital.

LLT's shares rose 1p to 181p. At one stage early last year, when hopes were high for the Tele-Jector project, the shares were traded at 350p.

The company currently has borrowings in the form of overdrafts and loans from its bankers amounting to £7.2m. The banks have been involved in the reconstruction discussions and are "reasonably relaxed" about LLT, Mr Cross said.

"We expect to be debt-free after the increase in net equity and the sale of the loss-making businesses," he added. "Once that is done we can look to the future with some degree of confidence."

Under the agreement to transfer responsibility for the £18m-worth of guarantees the finance houses will assume responsibility for the leases and hire purchase agreements relating to Tele-Jector's television screens.

LLT, or a third party approved by the finance houses, will continue to provide supplies, service and maintenance for the screens and video juke boxes.

LLT will provide substitute guarantees limited to about 10 per cent of the original potential liability payable in about three years' time.

In addition it would commit itself to pay further sums of up to 20 per cent of the pre-tax profits of the companies in the reconstructed LLT group for the years ending March 31 1983 and 1984, provided profits in each year are more than £1m. The maximum potential commitment is £2m.

LLT also hopes to defer or reach special arrangements with certain key creditors owed £1.5m to £2m.

Mr Cross said fewer than 100 of the 2,000 installed screens had been returned by publicans since the Tele-Jector problems arose.

# Regalian pays £6.1m for London properties

BY ALISON HOGAN

Regalian Properties, the London-based residential property development company, has acquired three properties in West London for £6.1m, which it proposes to fund in part through the issue of just over 3m shares to institutions for cash at 30p per share.

The new shares will raise £2.2m and represent 47.83 per cent of the enlarged capital spread between 11 institutions including BAT Pension Funds, Hambros Bank, Lazard and M & G Investment Management. The committed shareholding of

Regalian managing director, Mr David Goldstone and Davstone (hereinafter owned by Mr Goldstone) will be reduced from its present level of 61.59 per cent to 32.14 per cent.

Davstone, a trading and property investment company, is disposing of its interest in the three properties to Regalian (the freehold of one and the head leasehold on the two others) for £6.1m. £800,000 below the independent valuation made by Humberts. The properties, which contain over 150 flats, will be refurbished and marketed by

Regalian specialises in refurbishing run-down local authority blocks of flats like the Battersea Village, and has just been awarded the contract to develop 100 units in Wapping, East London.

Regalian only recently extracted itself from a management agreement with First National Finance Corporation allowing it to pay its first dividend for years at the interim stage in November. Mr Goldstone indicated at the time that the company would seek to widen the

shareholding of the company. The company forecasts pre-tax profits of £750,000 for the year to March 1984, compared with £539,395. After the acquisitions and issue of shares, net assets per share will be a little over 100p per share according to the company, which compares with the 80p per share at which the institutions are subscribing, and more than the shares closed unchanged yesterday.

An EBM will be held on Thursday March 15 to consider the purchase of the properties and the new share issue.

# Avana forecasts at least £17m

In its formal offer document for Bassett Foods released yesterday, the Avana Group forecasts pre-tax profits for the year to end-March 1984 of not less than £17m. A 25 per cent increase in Avana's final dividend is proposed, making 9.35p net for the year.

In his letter to Bassett shareholders, Avana's chairman, Dr John Randall, also stresses that "the high share price of Bassett since the Avana offer was made on January 24 should not be taken as a sign that a bigger

offer will be made by Avana." On yesterday's closing price for Avana of 505p (up 2p), the bid values Bassett's shares at 144p. The Bassett price closed unchanged yesterday at 155p.

The offer document states that "the prospects for Bassett could be greatly improved at home and overseas with full access to Avana's resources." It claims that the product ranges could be extended in chocolate confectionery, fruit-based sugar confectionery and cereal-based products.

offer will be made by Avana." On yesterday's closing price for Avana of 505p (up 2p), the bid values Bassett's shares at 144p. The Bassett price closed unchanged yesterday at 155p.

The offer document states that "the prospects for Bassett could be greatly improved at home and overseas with full access to Avana's resources." It claims that the product ranges could be extended in chocolate confectionery, fruit-based sugar confectionery and cereal-based products.

Outside the UK, says the document, "the export activities of Avana, already reaching out to 100 countries, would help Bassett enormously."

The Bassett board said yesterday that "there is nothing in these documents which alters the previously stated view that the offer is manifestly unacceptable."

It is understood that the board's reasons for rejecting the offer will be sent to shareholders in the next few days.

Outside the UK, says the document, "the export activities of Avana, already reaching out to 100 countries, would help Bassett enormously."

The Bassett board said yesterday that "there is nothing in these documents which alters the previously stated view that the offer is manifestly unacceptable."

It is understood that the board's reasons for rejecting the offer will be sent to shareholders in the next few days.

# Agreed Ault & Wiborg bid meets opposition

BY TERRY GARRETT

The £4.7m bid for Ault & Wiborg, specialist inks and paints manufacturer, by its principal shareholders Sun Chemical Corporation and Condensate interests, is running into opposition from small shareholders.

The company owns 48 per cent of Ault, launched its agreed 46p share offer just before Christmas. Earlier talks between the two in August were abandoned because a price could not be agreed.

Mr John Harkness, finance partner of stockbrokers Earnshaw Haes, is now mustering

opposition to the offer and hopes to block the scheme of arrangement due to be voted on by shareholders next Thursday.

Sun is unable to use its votes at the meeting.

It is acting for two client families, holding 620,000 shares, over 6 per cent of the free capital able to vote at the meeting. Last week he sent out a circular to shareholders canvassing their support to reject Sun's bid.

So far, owners holding 163,700 shares have agreed to back his argument that the American

group is trying to get hold of Ault & Wiborg on the cheap and he is hopeful of attracting the backing of institutional investors. He believes Royal Insurance, holding 370,000 shares, will vote against the offer and he will be contacting Dickinson Robinson Pension Fund which holds over half a million shares and Imperial Tobacco Pension Fund which has over 300,000.

Mr Harkness's opposition is not against a takeover of loss making Ault by Sun in principle

but over the price being offered. He said last night, "Sun has to take it over now, it is the only way out. Otherwise they can buy up 2 per cent a year and get voting control in a year or so."

In 1982, Ault lost nearly £100,000 before tax and in the first half of last year losses came out at £197,000, and the interim dividend was cut from 0.73p to 0.5p a share.

By the close last night, Ault and Wiborg's shares were unchanged at 44p.

# Hanson ups London Brick stake

BY RAY MAUGHAN

Hanson Trust has stepped up its stock market assault on London Brick in pursuit of its contested £57m bid for the brick manufacturer. It has declared two further major stock purchases which lift Hanson's aggregate holding, with acceptances, to 29.92 per cent.

Mr Rothschild has announced that associates Hanson Trust acquired 1.5m London Brick stock units at 164½p and a further 17.35m units at 164½p.

The buying, handled by Hanson's broker, Hoare Govett, stepped up a campaign which, until yesterday, had given the bidder less than 20 per cent of its target.

But the operation took place on the 6th day of the bid which means that Hanson cannot buy for cash any further London Brick shares in the market without making a new bid.

Lazard Bros, advising London Brick, said that it was "rather

pleased because holders would not have sold yesterday if they thought the bid was going to be a sure fire success."

"They have passed up the opportunity of taking 17.5p, the nominal value of Hanson's convertible loan stock offer, because the City has given its verdict that we have a very good chance of succeeding."

"The halts now," Lazard added, "is for control of a further 21 per cent."

## Arden & Cobden

Arden & Cobden Hotels, hotel owner, came back into the black in the second half of 1983, but for the full year the pre-tax surplus was £50,000 down at £28,000. Turnover was little changed at £1.23m compared with £1.27m.

The dividend is maintained, however, at 5.5p. After tax of £1,000 (£26,000) earnings were 1.2p (8p) per 50p share.

At halfway the company incurred losses of £5,700, against profits of £25,300.

# Medic 14% stake in LPHG foils Paul Ramsey scheme

Paul Ramsey Hospitals, private Australian hospital group, has withdrawn proposals to subscribe for a 32 per cent stake in the London Private Health Group following news that a third company has bought a 14 per cent stake in LPHG.

LPHG said yesterday that Paul Ramsey had withdrawn his offer pending clarification of the intentions of Medic International, the privately-owned UK company primarily involved in placing medical personnel in hospitals in the UK and overseas which this week bought the 14 per cent stake in LPHG.

Less than a month ago, Paul Ramsey offered to subscribe for 2.4m new LPHG shares at 25p a share. This would have raised

£600,000 for LPHG, and would have given Paul Ramsey a 32 per cent stake in the group, which is one of two private UK hospital groups on the Unlisted Securities Market.

Mr Ian Taylor, a director of LPHG, said yesterday that in the wake of the offer, Medic International had held "informal discussions" with his group—first on the possibility of Medic buying a stake in LPHG, and then on a possible bid for Medic by LPHG.

These discussions lapsed, until Medic this week announced it had acquired its 14 per cent stake.

Mr Taylor said the group had written to Medic asking it to make its intentions clear.

# Mercantile agrees terms for Alexanders Discount

TERMS HAVE BEEN agreed for recommended offers to be made on behalf of Mercantile House Holdings for the whole of the issued share capital of Alexanders Discount.

For the ordinary capital, Alexanders shareholders will be offered 17 ordinary 25p shares in Mercantile or £33.75 in cash for every 12 ordinary held.

For each 6 per cent (now 4.2 per cent, plus tax credit) cumulative preference shares of £2 in Alexanders the offer is £2 in cash.

Based on the middle market price of 40p per Mercantile ordinary at the close of business in February 16, the share offer values each Alexanders ordinary

at 57p, equal to a market capitalisation of £39m.

Full acceptance of the share offer would involve the issue of 7,131,370 new Mercantile ordinary representing 8.6 per cent of the enlarged share capital.

Alexanders ordinary shareholders will be entitled to the recommended final dividend of 15p for 1983.

New Mercantile ordinary issued pursuant to the ordinary offer will be entitled to the final dividend in respect of the year to April 30 1984. However, the interim dividend to be paid on March 12 to ordinary shareholders on the register at the close of business on February 15.

## COMPANY NEWS IN BRIEF

**Hadland Holdings**, photographic instrumentation manufacturer, has maintained its recovery in the year to October 31 1983.

Pre-tax profits of this USM stock, emerged at £20,968 compared with £518 on turnover of £53.53m against £4.32m. Tax for the 12 months took £65,349 (14,035).

The final dividend is held at 1.68p net for an unchanged total payout of 2.52p. Earnings per 25p share were 6p (loss 0.1p). Attributable profits were £191,258 (loss £4,071).

Brint Investments is joining the Unlisted Securities Market by way of an acquisition. It shares are presently dealt in under Rule 163(2).

Briml is an investment holding company which specialises in listed and unlisted investments in the mining and natural resources field.

Net assets are around £6.5m, equal to 166p per share. Major shareholders are Temple Investments a private Guernsey-based company; Burnett and Halliwell Holdings and Lando Trust.

Reduced pre-tax profits of £30,800, on turnover of £40.4m, have been produced by Kwabak Co. for the six months to the end of 1983. The directors say that the profit and loss account is affected materially by the release of provisions no longer necessary against a decline below cost in

the market value of investments.

This release is the amount of recovery that has taken place in listed and unlisted investments to bring them back to cost. Once cost has been reached no further benefit is seen in the profit and loss account until the holding is sold.

Net asset value was higher at 31.7p (26.6p)—last September it came in 30p.

They add that they hope the profit for the year on sales of investments will be at least equal last year's result. In the last full year pre-tax profits of this financial company came to £182,458.

Operating income for the six months came in £53,163 (£67,782) from which administration expenses took £22,563 (£21,380).

Tax came to £9,774 (£19,000), and earnings per 10p share came to 0.56p (0.73p).

The company is 48.5 per cent held by Western Selection.

A pre-tax profit of £50,000, compared with a loss of £130,000, was earned by Barrie Investments & Finance in the six months to September 30 1983. Turnover was £449,000 against £274,000.

The company, formerly known as Abwood Machine Tools, acquired Barrie Vanger last July. Its shares were suspended on request and restricted. Its main interests now lie in the fields of financial services and property.

There was again no tax charge for the period. Earnings per share were 0.08p (loss 1.46p). There is no interim dividend.

# TI shares slip as bid rumours fade

By Ray Maughan

TI Group, the engineering and consumer appliances manufacturer, closed 2p down at 244p as bid rumours lost the head of steam built up over the past week. But the price had recovered from 216p earlier yesterday and thoughts of an overseas bid have not been fully written off.

Brokers had calculated that an overseas buyer would be disclosing a stake of 5 per cent or more, to comply with UK companies legislation, on Thursday but the deadline passed without revealing the identity of the supposed foreign buyer.

Electrolux, the Swedish white goods manufacturer, is reported to have a stake, but holders of American Depository Receipts, a common avenue for U.S. purchases of front line British equities, are estimated to hold only 200,000 TI shares, the group calculated yesterday.

# Cartier fails in Maynards battle

BY WILLIAM DAWKINS

FORNER supermarket chief Mr Lewis Cartier yesterday failed to gain control of Maynards, London newsagent, toy retailer and sweet manufacturer.

His £8.3m cash offer, launched in December, for 51.8 per cent of Maynards' ordinary equity and all its preference shares failed to gain the adequate number of acceptances by yesterday afternoon's deadline.

Mr Cartier received acceptances for only 39.7 per cent of ordinary shares and 59.9 per cent of preference. The offers, which were conditional on acceptance, of 51.8 per cent of ordinary shares, have lapsed.

The acceptances represented 47.3 per cent of the voting rights in Maynards, and Mr Cartier holds on his own account 25,000 shares, 1 per cent of the ordi-

nary equity. Mr Cartier said yesterday that he had only narrowly failed to persuade two institutional shareholders, which together held 17 per cent of the company, to support his bid.

"We may at least have done the shareholders some good by making the board work a bit. Now we shall no longer be an unemployed entrepreneur," he said.

# Results due next week

Imperial Chemical Industries reports its fourth-quarter figures to end-December on Thursday. And looks like rounding off a vintage year in style. By comparison with the third quarter, the fertiliser division should have done well, with the un-selling effects of last July's price increases out of the way. The fibres division could swing by as much as £10m by comparison with the third quarter, in a fourth-quarter profit of perhaps £3m. More substantial gains in the petrochemicals and plastics division should have moved into profit for the quarter, possibly in the tune of £15m. Although the fourth quarter is seasonally weak for ICI, it could this year be the largest profit contributor. Analysts are looking for £20m-£30m for the full year, and are hoping for a 50p in the dividend in a 14p final, making 34p for the year.

Recent profits growth from Plessey, which announces third-quarter results to end-December on Thursday, will probably have been due to its smaller divisions. Indications are that profits from Plessey Electronic Systems, the defence technology division, may be down on the second quarter, though still heading for a good performance over the year as a whole. As for the telecommunications side, it looks as if the transition from electro-mechanical exchanges to System X is slowing down profits growth. There was little change here in the first two quarters, though some improvement may be coming through in the third. For the quarter, pre-tax profit expectations are around £44m, against last year's £35.1m, making a nine-month total of £126m.

Standard Telephones and Cables is expected to show strong

growth, both from acquisitions and in its existing businesses, when it reports on the year to December next Monday. International Aeradio, brought in March for £60m from British Airways, and the recently rationalised electronics companies purchased from ITC could make a combined contribution of around £10m. Telecommunications, which accounts for around 50 per cent of profits, should benefit from the near completion of the ANZC submarine cable project and a doubling in optical fibre transmission sales to British Telecom Components—around 10 per cent of profits—has seen vigorous marketing and cost-cutting drive coincide with a strong upturn in demand. On this basis, STC looks on track for a 48 per cent increase in pre-tax profits to £38m, the middle of a wide range of outside forecasts. Analysts are also looking for a substantial in-

## Glasgow Stock

Net revenue increased from £601,000 to £679,000 at Glasgow Stockholders Trust for the year to the end of 1983. Net asset value per 25p share after prior charges at par came to 166½p, against 123½p—last June the figure came to 163p.

The net final dividend had been raised from 1.5p to 1.65p making a higher total of 2.7p, against 2.5p. Earnings per 25p share rose from 2.84p to 3p. A one-for-two scrip is proposed.

At the end of the year the total value of investments was £39.8m (£29.8m) of which 42 per cent (50 per cent) was invested in the UK and 48 per cent (40 per cent) in North America.

As a result of the success of Teleira in which the company has an unlisted holding, unlisted investments exceptionally account for 16 per cent of the portfolio. The Teleira holding has been valued by the directors at £4.26m at the end of 1983.

Gross revenue came to £1.59m (£1.41m). Tax amounted to £385,000 (£204,000).

## BIDS AND DEALS IN BRIEF

LG Acquisition Corp., an indirect wholly-owned subsidiary of Ladbroke Group, has extended its U.S. \$7 (483p) per share offer for Turf Paradise Inc., until February 22.

An extraordinary court at the close of business on February 16 indicated that approximately 120,563 shares had been tendered—including 92,908 shares as to which acceptance is guaranteed.

Erskine House has acquired part of the business of M. R. Taylor and Co. a U-Bix copier dealer and servicing company covering Hampshire and Dorset, for £432,000 cash on the basis that the net tangible assets of the business have a value of £77,000.

Turnover of the business being acquired is forecast at £790,000 for a full year while profits in the region of £70,000 are

expected before interest on the consideration.

M. R. Taylor and Co. together with other recent acquisitions, gives Erskine a strong geographical coverage of U-Bix copier machine dealership and servicing companies in the south of England.

As a consequence of the bid from Nottingham Manufacturing (spinning), the F. Miller (Textiles) board and its financial advisers are re-considering the position of the company. Various options are available in the company and a further announcement will be made as soon as possible.

Acceptances have been received as follows by Thera EMI for its offer to acquire the £1.21m of 5 per cent cumulative preference stock in Metal Industries and the £1.50m of 32 per cent cumulative preference stock

which it does not already own—95 acceptances for £1m of 5 per cent stock (97.1 per cent) and 116 acceptances for £1.25m of 31 per cent stock (92.1 per cent).

The number of acceptances represents less than 75 per cent of the registered holders of each class of stock. The offer has been extended to March 5.

English Association offers for Rosedmond Investment Trust, which became unconditional in all respects on January 23, remain open for acceptances until further notice. As at February 17, acceptances of the offer totalled £57m Rosedmond income shares 193.02 per cent and 2.5m capital shares (95.27 per cent).

English Association will acquire compulsorily any outstanding shares.

Company	Announcement date	Dividend 1983	Dividend 1984	Final	Year
<b>FINAL DIVIDENDS</b>					
Acorn Group	Thursday	—	—	—	—
Adams and Gibbons	Tuesday	1.25	3.75	1.5	—
Alex Corp SA	Wednesday	—	—	—	—
Adcom International	Wednesday	—	0.6	—	—
21 Industrial Products	Wednesday	—	0.1	—	—
Anglo-International Investment Trust	Wednesday	2.5	3.4	2.5	—
Angus Securities	Tuesday	0.4	0.9	0.45	—
AS&N AB	Tuesday	3.0	7.5	2.0	—
Bath and Portland Group	Wednesday	2.5	3.5	2.5	—
Bramble, T. F. and J. H. (Holdings)	Wednesday	1.5	2.0	1.5	—
British and Scottish Investors	Monday	0.75	1.25	0.75	—
Edmond American Investment Trust	Tuesday	3.0	7.5	2.0	—
Foreign and Colonial Investment Trust	Wednesday	0.75	1.49	0.75	—
Imperial Chemical Industries	Thursday	9.0	10.0	10.0	—
Investment Trust of Guineas	Thursday	1.3	3.5	1.3	—
Jubilee Oilfields	Thursday	7.0	10.5	3.5	—
Jones, Ernest (Jewelers)	Thursday	1.4	2.5	1.4	—
Liberty Life Association of S. Africa	Thursday	29.0	100.0	36.0	—
Matchwell	Thursday	1.3	3.1	1.3	—
Metal Bulletin	Tuesday	2.2	3.8	2.0	—
Metro Focus Group	Monday	—	—	—	—
Newgold and Union Holdings	Thursday	1.4	2.38	1.54	—
Omnia Trust	Thursday	1.3	3.1	1.3	—
Scottish Eastern Investment Trust	Monday	1.5	1.85	1.5	—
Standard Telephone and Cables	Monday	2.0	4.0	2.75	—
Technology for Business	Friday	—	—	—	—

Company	Announcement date	Dividend 1983	Dividend 1984	Final	Year
<b>TEMPLE BAR INVESTMENT TRUST</b>					
Turner and Nowell	Monday	1.5	2.7	1.5	—
Ward Holdings	Thursday	1.19	3.01	1.19	—
Weber Holdings	Tuesday	5.0	17.5	5.0	—
<b>INTERIM DIVIDENDS</b>					
Alingworth	Thursday	—	—	—	—
Allied Leather Industries	Thursday	1.75	3.75	—	—
BPM Holdings	Thursday	1.58125	4.13375	—	—
British Assets Trust	Wednesday	1.25	1.25	—	—
Compco Holdings	Friday	—	—	—	—
Don Brothers	Thursday	—	—	—	—
Ecco Holdings	Wednesday	0.50809	2.27272	—	—
Fleming Enterprises Investment Trust	Tuesday	2.0	5.2	—	—
Guthrie Property Company	Thursday	0.75	3.25	—	

# SUMMARY OF THE WEEK'S COMMERCE AND FINANCE

## Take-over bids and deals

Hanson Trust is prepared to pay nearly £250m for London Brick, but is still meeting substantial resistance. For the first time in its active takeover career, Hanson has been forced to revise its offer terms twice and the latest bid of 165p per share cash, or 175p in new loan stock, is Hanson's final offer. This has been unanimously rejected by the London Brick board but, with the LB share price hovering just below 165p, Hanson has been able to purchase shares in the market and the eventual outcome is expected to be close.

Taddale Investments raised its bid for Prince of Wales Hotels from 139p per share to 145p and gained the latter's approval. The new bid is worth £575m compared with the original offer of £525m and agreement was reached only four days after Prince of Wales rejected Taddale's first bid as "unacceptable and totally inadequate." The new bid, like the original, is conditional on Prince of Wales not proceeding with the planned acquisition of the St Georges Hotel and the linked rights issue proposal.

James River Corporation, the U.S. specialty paper products concern, emerged as the bidder for GB Papers, the Scottish paper maker. River is making a recommended cash offer of 73p per share valuing GB at £5.5m.

Porter Chadburn, the brewery and marine engineering equipment concern, agreed terms of a share subscription and cash offer for the company from G. M. Firth, the steel stockholding and property development company headed by Mr Ian Wasserman. Firth already owns just over 29 per cent of the Porter Chadburn equity and the share subscription agreement will raise its holding to 51.6 per cent. Firth is to make an 88p per share cash offer for the outstanding shares.

Company bid for	Value of bid per share**	Market price**	Price before bid £m**	Value of bid £m**	Bidder
Aero Needles	60*	85	43	2.59	Coats (J. & P.)
Alexanders Disc.	576	560	453	28.87	Mercantile Rise
Assoc Leisure	198.88	150	150	49.92	Pleasurama
Aust & Wiborg	46*	44	33.1†	4.70	Sian Chemical

Company bid for	Value of bid per share**	Market price**	Price before bid £m**	Value of bid £m**	Bidder
Bassell Foods	144	155	99	17.30	Avana
Black (Michael)	58.5	65	47	2.17	Emess Lighting
Black (Michael)	72	65	55	2.68	Holgate & Job
Border Brew.	175*	192	180	9.40	Forsbaws Blonwd
Downs Surgical	49.5*	47.1	38.1†	6.32	Smiths Inds
Edits	37*	90	47	55.96	Iovs In Industry
GB Papers	73*	70	58.1†	5.45	James River Corp
Hales Props	212	206	140	3.98	Belgrve (Blckth)
Ingram (H.)	65*	385	80	1.02	Wasskon
Int Paint	231.5	225	163	20.77	Courtaulds
London Brick	175	165	104	1247.14	Hanson Trust
Maynards	250.5	225	198	6.34	Lewis E. Cartier
Porter Chadburn	88.5	110	112	1.46	G. M. Firth
Prince of Wales Hotels	145*	145	117	7.90	Taddale Invs
Rosediamond Inc	54	55	50	3.23	English Assocn
Rosediamond Cap	225	215	155	5.99	English Assocn
Scan Data	106	99	100	2.31	Audiomatic
SIG Davall	48	44.1	35	3.72	Vinten
Stenhouse†	137.5	131	106	52.00	Reed Steinhilf A*
Style	325*	238	311	32.38	Harris Queensway

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. †† Loan stock alternative. \*\* Based on 17/2/84. †† At suspension. ††† Estimated. § Shares and cash.

**Rights Issue**  
Biggs and Hill to raise approximately £5.8m net via a one for four rights issue at 275p each.

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Ariel Industries	Sept	5mL	(46)L
Bogod Peleph	Sept	135	1.0
County Property	Sept	102	1.0
Dafestram	Dec	1,730	11,090.1
Dalgely	Dec	31,300	15,100.1
Deborah Services	Sept	371	1.21
Douglas, Robert	Sept	200	1.38
Elbief	Oct	207	1.44
Excitbur	Oct	84	(214)
Fleet Holdings	Dec	6,390	(2,470)
Gripperods	Oct	489	1.68
Hampson Inds	Sept	409	1.5
Herridge Brooks	Nov	97	0.3
Mangrove Broeze	Jan	996	1.1
MS International	Oct	819	(922)L
Peerless	Sept	849	2.1
Press Tools	Oct	90	11.28
Reed Executive	Dec	1,010	(820)L
Reliance Ind Higs	Oct	282	(203)
Smith, W. H. V*	Dec	20,110	(14,468)
Smith, W. H. V*	Dec	20,110	(14,468)
Stonchill Bldgs	Nov	54L	(206)L
TR City of Lon Tst	Dec	2,560	(2,215)
Webb, Joseph	Sept	452	1.95
Wolf Steam Lann	Sept	1	(13)L
Young, R. Higgs	Nov	30	15L

(Figures in parentheses are for the corresponding period.) \* Dividends are shown net pence per share except where otherwise stated. † Figures for 10 months. ‡ For 15 months. L Loss.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Alexanders Hldgs	Sept	214L	(154)	(10.48)
Blo-Isolates	Sept	234L	(163)L	(1)
Birmingham	Oct	8,590	(1,440)L 11.8	(1)
Crat Nicholson	Oct	7,019	(6,722) 10.0	(10.2)
Habit Precision	Sept	83	(19)	2.4
Hunter Print	Oct	1,710	(1,120) 15.1	(12.5)
MA&C	Dec	1,500	(2,000) 13.8	(4.0)
Manchester Shlp	Dec	778	(678) 6.0	(1)
Nett Manufact	Dec	17,710	(15,130) 24.6	(20.1)
Plastic Cons	Sept	249	(91)	4.9
Saga Holidays	Oct	2,447	(1,387)L 5.0	(3.73)
Securloop Grp	Sept	2,499	(1,141) 10.3	(10.2)
Security Serv	Sept	10,270	(9,680) 10.6	(12.5)
Wagon Finance	Dec	2,000	(1,070) 3.7	(1.9)
Yorkshire Bank	Dec	36,600	(33,733)	(1)

## Offers for sale, placings and introductions

Bell Atlantic, Bell South, NYNEX, Pacific Telesis, Southwestern Bell and U.S. West—Full listing on the London Stock Exchange. CRX Estates placed £15m of debenture stock. EPS Computer Group coming to USM by way of a placing of 2m shares at 87p each. LPA Industries to join USM by way of an introduction. Morgan Holdings seeking full listing by way of a placing of 2.7m shares at 110p per share. Morgan Communications coming to USM by way of a placing of just over 1m shares at 60p per share. Norbin Electronics coming to USM by way of a placing of 920,000 shares. It is expected to have a market value in excess of £7m. Petronit seeking a full listing on the Stock Exchange by way of an offer for sale of 2.8m shares at 125p each. Ryan Hotels placed 10.75m ordinary shares at 5p each to raise £560,000. TR City of London Trust—£6m issue of 111 per cent debenture stock 2014 at 285p per cent.

## APPOINTMENTS

### Promoted to TI Group board

Mr F. S. Thomson has been appointed chairman of TI GROUP. He joined TI in 1975 as a director of the domestic appliance division responsible for its gas appliances sector. He became managing director of the division two years ago and will now be chairman and managing director. Mr F. A. Barrett has resigned from the TI board to pursue personal business interests.

THE INTERNATIONAL CERTIFICATES OF DEPOSIT MARKET ASSOCIATION has elected as chairman Mr Robert C. Alford of Goldman Sachs International Corp, as deputy chairman Mr David A. Brayshaw of Gerrard and National, as hon secretary Mr Richard D. Frisbee of Drexel Burnham Lambert GSI.

Mr Steve Ayres has been appointed managing director of MGM/UA HOME VIDEO. He returns after six months as sales and marketing director at MCA Records, a company he joined after carrying out the same job with MGM/UA. Mr Chris Collins, currently MGM/UA's financial director in the UK, has been appointed European director of finance and administration.

C. T. BOWRING AND CO has made the following appointments: Bowring South East, Mr P. C. Jackson as deputy executive and Mr D. M. Effe and Mr T. W. Hales directors; Siplon Insurance Services; Mr R. A. C. White has been made chairman, Mr J. J. Griffiths chief executive, and Mr J. A. Thomas a director; Bowring Schofields; Mr A. Nyles and Mr L. W. Hughes have been made directors; Bowring Wolverhampton; Mr C. N. Aylea has been

## RIGHTS ISSUE

Biggs and Hill to raise approximately £5.8m net via a one for four rights issue at 275p each.

## SCRIP ISSUE

Alexanders Holdings—One for ten scrip issue.

## CONTRACTS

### £12m helicopter order

WESTLAND has received the go-ahead from the British Ministry of Defence to make five more Mark 5 Sea King helicopters for the Royal Navy. The business is worth about £12m. The helicopters are for the anti-submarine warfare role and delivery is due to start in January 1986.

CAPE has been awarded a £2m turnkey contract by British Telecom International for a computer system to handle international accounting and traffic analysis for its international telephone exchange at Mondial House. The computer system will collect information directly off the exchange at data rates up to 375,000 bits per second.

The National Coal Board has awarded a £5m contract to SIMONACCO, Carlisle, to Simonac Engineering company, for a bulk ship discharger for power station coal. The plant is based on the Simporier (twin-belt) system with a rated capacity of 1,150 tonnes per hour, and will be suitable for ships of up to 18,500 dwt. It will be at Tilbury, and operated by the Central Electricity Generating Board.

The foundry division of HEPWORTH AND GRANDAGE, a member of the AE Group, has won a £250,000 contract from Bombardier Inc, Montreal, to supply cylinder head iron castings for locomotive and marine diesel engines. The engines range from 875 to 4,000 HP and include the 2700 HP V16 engine used in Bombardier's LRC train which has a top rated speed of 125 mph.

Mr Tom Knowles, formerly technical manager, has been appointed executive director of WOOD GROUP FIRE PROTECTION, Within Wood Group Offshore in Aberdeen, Mr Jim Rae has been appointed executive director/marketing.

## Economic Diary

TOMORROW: Department for National Savings' monthly progress report (January). EEC Foreign Ministers hold an informal meeting at Celle St Cloud to discuss Community reform and the British budget contributions (until February 20).

FRIDAY: EEC Foreign Affairs Council meets in Brussels (until February 21). Gross domestic product (output-based) (fourth quarter-provisional). Publication of the FT/CBI survey of distributive trends (end-January). Commons debates EEC budget for 1985. Messenger Newspaper Group to appeal against decision to allow NGA to defend damages claim. Israeli Prime Minister Yitzhak Shamir in Brussels for European Community-Israel Co-operative Council meeting (until February 21).

TUESDAY: Cyclical indicators for the UK economy (January). M. Francois Mitterrand, French President, visits Dublin. Institute of Directors annual convention. Local authority pay talks. Opec Ministers meet in Kuwait.

WEDNESDAY: New construction orders (December). Ford management and unions to hold talks on the future of Dagenham. British-Chinese resume talks on Hong Kong in Beijing. Coopers and Lybrand issue report on the cost of abolishing metropolitan councils.

THURSDAY: Unemployment and unfilled vacancies (January-final). Employment in the production industries (December-provisional). Overtime and short-time working in the manufacturing industries (December). Signposts of work due to industrial disputes (January-provisional). Capital expendi-

## BASE LENDING RATES

A.B.N. Bank	9%	Heritable & Gen. Trust	9%
Allied Irish Bank	9%	Hill Samuel	9%
Amro Bank	9%	C. Hoare & Co.	9%
Henry Ansbacher	9%	Hongkong & Shanghai	9%
Arbutnot Ltd	9%	Kingsnorth Trust Ltd	10%
Armo Trust Ltd	9%	Knowles & Co. Ltd.	9%
Associates Cap. Corp.	9%	Lloyds Bank	9%
Banco de Bilbao	9%	Mullinhal Limited	9%
Bank Hapoalim BM	9%	Edward Manson & Co.	10%
BCCI	9%	Mehraj and Sons Ltd.	9%
Bank of Ireland	9%	Midland Bank	9%
Bank Leumi (UK) plc	9%	Morgan Grenfell	9%
Bank of Cyprus	9%	National Ek of Kuwait	9%
Bank of Scotland	9%	National Girobank	9%
Banque Belge Ltd.	9%	National Westminster	9%
Banque du Rhone	10%	Norwich Gen. Trst.	9%
Barclays Bank	9%	R. Raphael & Sons	9%
Beneficial Trust Ltd.	10%	P. S. Refson & Co.	9%
Benson Holdings Ltd.	9%	Roxburgh Guarantees	9%
Brit. Bank of Mid. East	9%	Royal Trust Co. Canada	9%
Brown Shipley	9%	J. Heurte Schroder Wage	9%
CL Bank Nederland	9%	Standard Chartered	9%
Canada Perm Trust	10%	Trade Dev. Bank	9%
Castle Court Trust Ltd.	9%	TCB	9%
Cayzer Ltd.	9%	Trustee Savings Bank	9%
Cedar Holdings	9%	United Bank of Kuwait	9%
Charterhouse Japhet	9%	United Mizrahi Bank	9%
Chouhoulans	10%	Volkskas Intnl. Ltd.	9%
Citibank Savins	10%	Westpac Banking Corp.	9%
Clydesdale Bank	9%	Whiteaway Ltd/Law	9%
C. E. Coates	9%	Williams & Glyn's	9%
Coman. Bk. of N. East	9%	Wintrust Secs. Ltd.	9%
Consolidated Credits	9%	Yorkshire Bank	9%
Co-operative Bank	9%	Members of the Accepting Houses Committee:	
The Cyprus Popular Bk.	9%	7-day deposits 5.5%, 1-month 6%	
Dunbar & Co. Ltd.	9%	Fixed rate 12 months £2,500 9%, £5,000 12 months 9.5%	
Duncan Lawrie	9%	7-day deposits on sums of under £10,000 5%, £10,000 up to £50,000 6%, £50,000 and over 7.5%	
E. T. Trust Ltd.	10%	Call deposits £1,000 and over 5.5%	
Exeter Trust Ltd.	11%	21-day deposits over £1,000 6.5%	
First Nat. Trust Corp.	10%	Demanded deposits 5.5%	
First Nat. Secs. Ltd.	10%	Monogage base rate.	
Robert Fraser	10%		
Grindlays Bank	9%		
Guinness Mahon	9%		
Hambros Bank	9%		

## Granville & Co. Limited

Member of NASDMM  
27/29 Lovat Lane London EC3R 5EB Telephone 01-621 1212

### Over-the-Counter Market

1983-84	Company	Price Change	Gross Yield (%)	Actual Yield (%)	P/E	Fully Paid
High	Ass. Ent. Ind. Ord.	125	10.0	7.3	9.3	
158	117 Ass. Ent. Ind. Ord.	139	10.0	7.3	20.9	
78	62 Auspurg Group	73	5.1	8.4	20.9	
38	21 Ambara & Ribbles	27	5.1	8.4	20.9	
319	141/1 Gordon Hill	319	+1	7.2	2.3	10.0
58	53 Brye Technologies	58	2.7	4.7	10.5	11.4
200	157 CCL Ordinary	197	5.7	10.7	—	6.3
337	100 Carbonium Abrasives	347	+2	5.7	1.6	—
249	100 Condo Group	103	+2	7.6	17.0	16.6
121	51 CCL Typ Conv. Pr	121	+1	6.0	2.9	30.5
199	75 Frank Marshall	195	+1	8.7	4.7	7.8
186	75 Frank Marshall Pr Ord	186	+1	8.7	4.7	7.8
69	36 Frederic Blair	35	—	7.1	19.7	2.3
39	32 George Baker	39	—	7.1	19.7	2.3
80	46 Jcd. Precision Castings	48	—	7.3	15.2	13.3
249	134 Ison Conv. Pr	249	+1	17.1	16.3	16.6
151	51 Jackson Group	151	+1	5.5	3.8	6.3
242	168 James Burroughs	238	—	11.4	4.8	12.1
345	275 Manhouse Holding NV	337	+2	4.0	12.5	20.9
176	106 Robert Jenkins	176	—	2.0	18.3	12.8
74	60 Scrutton "A"	69	—	2.7	5.0	10.0
120	64 Torbay & Carlisle	120	+2	2.9	4.5	8.0
420	325 Travel Holdings	420	—	1.0	5.5	11.8
37	65 Walter Alexander	37	+1	8.8	7.4	8.7
276	236 W. S. Yeiss	236	—	17.1	7.2	3.7

## LADEROKE INDEX

Based on FT Index  
809.813 (-5)  
Tel: 01-493 5261

## INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS and cure of which are still unknown — HELP US BRING THEM RELIEF AND HOPE. We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—Send a donation today to:  
Room F.1  
The Multiple Sclerosis Society of G.B. and N.I.  
286 Munster Road  
Fulham, London SW6 6BE

## EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Feb. Last	Vol.	Mar. Last	Vol.	Apr. Last	Stock
GOLD C	3550	91	32.80	—	—	—	3382.60
GOLD C	3276	408	7.60	42	22.50	—	—
GOLD C	3400	—	—	86	10.50	—	—
GOLD C	3400	—	—	—	—	71	11.60
GOLD C	3450	—	—	10	2.90	—	—
GOLD P	1878	10	0.10	—	—	10	—
GOLD P	3450	—	—	16	17.50	9	18



FOREIGN EXCHANGES

Dollar improves

The dollar was a little firmer in currency markets yesterday in rather quiet trading ahead of the long weekend. Many U.S. financial centres are closed on Monday for a public holiday. Yesterday's firmer trend reflected some position squaring in front of the three-day break but the market still retained a bearish long-term view of the dollar. U.S. fourth-quarter revised GNP figures were virtually ignored.

sterling ahead of the weekend. It closed at \$1.4800-1.4510 against the dollar, a rise of 55 points. Against the D-mark it rose to DM 3.8925 from DM 3.87 and SWF 3.1850 compared with 3.1750. It was also higher against the French franc at FF 119.7 from FF 119.5050 and improved to terms of the Japanese yen to Y385.5 from Y387.5.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. months, % p.a. months. Rows include US, Canada, Ireland, Belgium, Denmark, Portugal, Spain, Norway, France, Sweden, Austria, Switzerland, and Swiss.

MONEY MARKETS

Further shortage

Day to day credit was in short supply in the London money market yesterday. This prompted the Bank of England to invite bids for an early round of assistance. As a consequence it bought £561m of bills at 9 1/8 per cent for resale to the market on Wednesday and 1427m on Wednesday.

LONDON MONEY RATES

Table with columns: Feb. 17, 1984, Sterling Certificate of deposit, Interbank, Authority Deposits, Company Deposits, Market Deposits, Treasury (Buy), Treasury (Sell), Eligible Bank (Buy), Eligible Bank (Sell), Fine Trade (Buy).

Discount House Deposit and Bill Rates

Table with columns: Local Authority Deposits, Finance House Deposits, Cert Deposits, SDR Linked Deposits, ECU Linked Deposits.

OTHER CURRENCIES

Table with columns: Feb. 17, £, \$, Note Rates. Rows include Argentina, Australia, Brazil, Chile, Hong Kong, India, Indonesia, Korea, Luxembourg, Malaysia, New Zealand, Saudi Arabia, Singapore, South Africa, U.A.E., and Yugoslavia.

THE DOLLAR SPOT AND FORWARD

Table with columns: Feb. 17, Day's spread, Close, One month, Three months, % p.a. months, % p.a. months. Rows include UK, Ireland, Canada, Finland, Denmark, Portugal, Spain, Norway, France, Sweden, Austria, Switzerland, and Swiss.

UK clearing banks' base lending rate 9 per cent

(since October 4 and 5) banks brought forward balances £200m below target. Exchequer transactions added £20m to the system.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING (1.166 m February 17), 3 months U.S. dollars, 6 months U.S. dollars, 8 months U.S. dollars, 10 months U.S. dollars.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING (1.166 m February 17), 3 months U.S. dollars, 6 months U.S. dollars, 8 months U.S. dollars, 10 months U.S. dollars.

EXCHANGE CROSS RATES

Table with columns: Feb. 17, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Feb. 17, Day's spread, Close, One month, Three months, % p.a. months, % p.a. months. Rows include UK, Ireland, Canada, Finland, Denmark, Portugal, Spain, Norway, France, Sweden, Austria, Switzerland, and Swiss.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Feb. 17, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Kroner.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING (1.166 m February 17), 3 months U.S. dollars, 6 months U.S. dollars, 8 months U.S. dollars, 10 months U.S. dollars.

The fixing rates are the arithmetic means, rounded to the nearest one-tenth, of the bid and offered rates for \$1m quoted by the market in five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Paribas de Paris and Morgan Guaranty Trust.

\$2m of local authority bills and £200m of eligible bank bills at 8 1/8 per cent. There was a final revision in the forecast to around £800m and the Bank gave additional help in the afternoon, comprising purchases of £37m of eligible bank bills in band 2 at 9 per cent, un-changed from Thursday while three-month interbank money was quoted at 9 1/8 per cent compared with 9 1/4 per cent. Weekend interbank money added a low as 1 per cent below finishing at 15 per cent.

WEEKLY PRICE CHANGES

Table with columns: Latest price, Change on previous week, Year ago, High, Low. Rows include Metals, Grains, and other commodities.

COMMODITIES AND AGRICULTURE

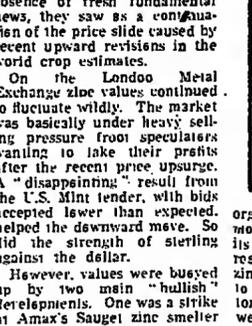
REVIEW OF THE WEEK

Cocoa prices tumble as crop hopes rise

HOPE of bigger West African crops than had been forecast previously brought a sharp turnaround in sentiment on the London cocoa futures market this week. Last week's rally was followed through on Monday when the May position reached \$1,909 a tonne. But after running out of steam at this point the market went into reverse. By last night's close May cocoa was quoted at \$1,731.50 a tonne, down \$29 on the day and \$141 on the week.

AMERICAN MARKETS

Cocoa



NEW YORK

Table with columns: ALUMINIUM 40,000 lbs. cents/lb., COPPER 35,000 lbs. cents/lb., GOLD 100 oz. \$/ounce, SILVER 5,000 Troy oz. \$/ounce, WHEAT, SOYBEAN MEAL, etc.

BASE METALS

Table with columns: Aluminum, Copper, Nickel, Tin. Rows include various grades and specifications.

WHEAT

Table with columns: Wheat, Soybean Meal, Soybean Oil, etc.

INDICES

Table with columns: FINANCIAL TIMES, DOW JONES, etc.

CHICAGO

Table with columns: WHEAT, SOYBEAN MEAL, SOYBEAN OIL, etc.

LONDON OIL CRUDE OIL FUTURES

Table with columns: Month, Yesterday's close, Business Done, etc.

SPOT PRICES

Table with columns: Arabian Light, Iranian Light, etc.

GOLD MARKETS

Gold fell \$1 an ounce from Thursday's close in the London bullion market yesterday to \$383-383 1/2. The metal opened at \$383-383 1/2 and touched a low of \$381-382 before finishing at its best level of the day.

LEAD

Table with columns: High Grade, Cast, etc.

LONDON FUTURES

Table with columns: Month, Yesterday's close, Business Done, etc.

ZINC

Table with columns: High Grade, Cast, etc.

SOYBEAN MEAL

Table with columns: Soybean Meal, Soybean Oil, etc.

POTATOES

Table with columns: Price, etc.

SUGAR

Table with columns: LONDON DAILY PRICE, etc.

GOLD BULLION (Time ounces)

Table with columns: Opening, Closing, etc.

ZINC

Table with columns: High Grade, Cast, etc.

DRANCE JUICE

Table with columns: Price, etc.

Details of the securities not included in the FT Share Information Services. Unless otherwise indicated, denotations are 50p and prices are in pence. The prices are those at which the business was done on the 26th June 1992 at 3.30 pm on Thursday and settled through the Stock Exchange Tailman system.

Table of securities listings including companies like British Airways, British Petroleum, and various financial institutions. Columns include company names, stock codes, and prices.

Section titled 'UNLISTED SECURITIES MARKET' containing a list of companies and their respective stock codes and prices.

Section titled 'RAILWAYS' listing various railway companies and their stock codes and prices.

Section titled 'UTILITIES' listing utility companies and their stock codes and prices.

Section titled 'WATER WORKS' listing water supply companies and their stock codes and prices.

Section titled 'INSURANCE' listing insurance companies and their stock codes and prices.

Section titled 'INVESTMENT TRUSTS' listing investment trusts and their stock codes and prices.

Section titled 'CORPORATIONS-Foreign' listing foreign corporations and their stock codes and prices.

Section titled 'BANKS, DISCOUNT' listing banks and discount companies and their stock codes and prices.

Section titled 'BREWERIES' listing brewery companies and their stock codes and prices.

Section titled 'COMMERCIAL INDUSTRIAL' listing commercial and industrial companies and their stock codes and prices.

Section titled 'UNIT TRUSTS' listing unit trusts and their stock codes and prices.

Section titled 'MINES-MISCELLANEOUS' listing mining and miscellaneous companies and their stock codes and prices.

Section titled 'PROPERTY' listing property-related companies and their stock codes and prices.

Section titled 'MINE-SOUTH AFRICAN' listing mining companies from South Africa and their stock codes and prices.

Section titled 'OIL' listing oil companies and their stock codes and prices.

Section titled 'GENERAL PORTFOLIO LIFE INSURANCE' listing general portfolio life insurance companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Section titled 'OFFSHORE & OVERSEAS-continued' listing offshore and overseas companies and their stock codes and prices.

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Rule 163 (2) Bargains marked in securities where principal market is outside the UK and Republic of Ireland.

Rule 163 (4) (a) Bargains marked in securities where principal market is outside the UK and Republic of Ireland.

Rule 163 (3) Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

Dealings for approved companies engaged solely in mineral exploration.

# Louise Kehoe on the latest round in the battle for personal computer supremacy IBM portable threatens to carry the day

"It is clear that IBM wants it all," says Mr. Steve Jobs, chairman of Apple Computer. With the launch late on Thursday of a portable version of its personal computer, IBM confirmed Mr. Jobs' widely shared opinion that IBM does not mean to tolerate competition in the high growth personal computer market.

The \$2,785 IBM portable computer is sure to have a dramatic impact upon the \$6bn market for office personal computers. Over the past two years, IBM has established its personal computer technology as an industry standard for business applications. It also began to expand into the home computer market with the announcement last October of the PC Jr. Now, with the portable PC, IBM has plugged a price gap between

the home and office markets with a machine that can be used in both places.

That sector of the personal computer market has, until now, been occupied by a group of companies which make portable "IBM-compatible" personal computers—clones of the IBM PC in transportable cases. The IBM portable competes directly with Eagle, Compaq and more than a dozen other compatible portables.

But the price differential between an IBM personal computer and a compatible machine from another maker has not been eroded. According to Compaq, the "street" price for its comparable product is \$2,500-\$3,600.

"They (the compatibles) will be forced to reduce their

prices," predicts Dr. Egil Juliusen, chairman of Future Computing, a Richardson, Texas, market research firm.

Personal computer makers fear that the IBM announcement could even spark off a major price war in the personal computer market like that seen in home computers last year. If price cuts spread, there is sure to be a shake-out among the 20 or so U.S. makers of IBM-compatible computers, they believe.

The IBM portable computer is a single unit machine with one disk drive, a memory capacity of 256K bytes, a nine-inch amber screen and a universal power supply that can be used in any country. The unit measures 20 in by 17 in by 8 in and weighs 30 lb. Technically,

the portable is almost identical to the original IBM PC.

Priced at about \$300 less than a similarly equipped desktop IBM personal computer, the portable will also compete for sales with IBM's own product, Compaq, the largest maker of IBM-compatible portable computers—is trying to put a brave face on the IBM announcement.

"It is interesting that IBM announced the PC Jr home computer three months ago and in December Apple Computer sold 100,000 Apple IIes," said Mr. Ben Rosen, chairman of Compaq. "IBM could be extremely stimulating to the market."

Compaq's strategy will be to compete with IBM by adding new features to its own products. It is, however, "possible" that Compaq will lower the price

of its current IBM-compatible, Mr. Rosen acknowledged.

Apple Computer is also vulnerable to renewed IBM competition. Despite the many innovative features of its new Macintosh model and the lackluster technology of the IBM portable, industry analysts expect an immediate battle between the two companies for new model buyers.

Competition between Apple and IBM will focus upon which company can deliver its new product to customers first. IBM says that its portable will be available in limited quantities on March 1. Apple claims that it is already shipping the Macintosh to all its U.S. dealers from a brand-new, highly automated factory in Fremont, California.

# Ambrosiano settlement faces delay

By Alan Friedman in Milan

THE CONCLUSION of a final overall financial settlement of the long-running Banco Ambrosiano affair will be delayed by about a week because of legal and other technical details. This was the upshot of two days of meetings in Geneva which ended last night.

The meetings included representatives of 120 creditor banks worldwide, including the 88 Eurobank bank creditors of Banco Ambrosiano Holding (BAH) of Luxembourg. Also present were the Milan-based liquidators of Ambrosiano and the Vatican-Italian Government joint commission on Ambrosiano.

According to bankers involved in the meetings, progress was made on the substance of the draft Ambrosiano settlement, but procedural matters will mean that it could be the week after next before creditors receive the official settlement offer.

The Geneva meetings were intended to finalise discussions on the draft formula reached last week in Zurich. Under the draft settlement, the Vatican bank which directly and indirectly owned 10 of the overseas dummy companies to which Ambrosiano lent \$1.3bn, is to pay \$250m. This would represent just over one-third of a total Ambrosiano settlement in excess of \$600m.

The eventual settlement is likely to be composed of the Vatican's contribution of \$250m, proceeds of around \$120m from the sale by BAH of its majority stake in the Lugano-based Banca del Gottardo, assets seized from former directors of Banco Ambrosiano and some overseas funds which were frozen when the bank, chaired by the late Sig. Roberto Calvi, collapsed

# Boardroom struggle at Christian Dior

BY DAVID MARSH IN PARIS

A POWER struggle has broken out at the top at Christian Dior, the leading Paris fashion house owned by the Agache-Wilnot textile group, which was put into receivership in 1981.

A difference of opinion on the company board, linked to the complex manoeuvring going on over the future of Agache-Wilnot and its troubled manufacturing subsidiary, Bouscasse Saint-Feres, could see the imminent removal as chairman of M. Jacques Rouet, 66, who has played a leading role in Dior since the company was founded in 1946.

A shareholders' meeting has been called for March 5 at which M. Albert Chassagnon, the court-appointed administrator who has been trying to seek a solution to the Agache-Wilnot group's tangled affairs, may decide to choose a new chairman.

At a meeting earlier this week, the Dior board proposed changing the company statutes to lower to 65 from the present 75 the mandatory retirement age for the chairman. This would automatically spark the departure of M. Rouet, and would pave the way for his replacement by M. Jean-Paul Elkann, an industrialist who is present in Dior's vice-chairman.

M. Elkann is supported by the government-controlled Industrial Development Institute, which, as the majority shareholder in Bouscasse, has been playing a key role in the Agache-Wilnot saga.

M. Elkann has proposed that Dior follow a more commercially-oriented marketing approach to counter recently falling profit growth, while M. Rouet has advocated expansion and the opening of new foreign retail outlets.



M. Jacques Rouet

# Rusconi buys Rizzoli magazines

BY OUR MILAN STAFF

RUSCONI EDITORE, one of Italy's major magazine and book publishing companies, has paid L6bn (\$8.6m) to acquire Edimona, a fashion magazine subsidiary of the troubled Rizzoli group.

Edimona publishes three up-market magazines, which bring the number of titles published

by Rusconi to more than 20. The Rusconi group, which last year had a turnover of L210bn, was founded 25 years ago by Sig. Elio Rusconi, who previously edited Rizzoli's major current affairs weekly.

Sig. Rusconi said yesterday that Edimona last year recorded net profits of L1.58bn on turnover of L18bn.

# NZFP drops Wattie bid

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S biggest take-over battle has ended with New Zealand Forest Products withdrawing its NZ\$300m (U.S.\$188.6m) bid to gain control of Wattie Industries, the food group. The withdrawal follows four days of behind the scenes discussions between representatives of the three companies involved—NZFP, Wattie and the Goodman Group, which has a 35 per cent stake in Wattie.

The NZFP statement to the stock exchange formally withdrawing its offer said: "A satisfactory agreement" had been reached with Wattie and Goodman.

This is understood to mean that the boards of all three companies have agreed not to launch a full takeover bid for any of the others. Last year Wattie-Goodman, through their

# Repro proposes A\$63m rights

By Michael Thompson-Noel in Sydney

REPCO, the Australian motor parts group, recorded a 10.5 per cent rise in net profits for the six months ended December 1983 to A\$14m (US\$13m), on sales of A\$524m. The interim dividend is to be held at 3 cents a share.

Directors also plan a one-for-three rights issue, aimed at raising A\$63m. They say current profit trends should continue into 1984-85.

Citicorp Australia, the wholly-owned subsidiary of Citicorp of the U.S., reports an after-tax profit of A\$24.6m (US\$23.2m) for 1983, up 19 per cent. The group said a 7 per cent fall in interest payments and a 9.2 per cent drop in operating costs helped boost earnings.

# Sears in Italian venture

BY JAMES BUXTON IN ROME

SEARS WORLD TRADING, a subsidiary of Sears Roebuck, the U.S. retailer, is to establish a trading company in a three-sided venture with IRI, the Italian state industrial holding company, and Cioe and Clerici, a Genoa-based trading concern.

The new company, to be called Sirco, will handle not only trade between Italy and other countries but also trade between third countries. It will in particular offer financial backing for trade deals and handle clearing arrangements.

Sears World Trading was set up about a year ago to expand Sears Roebuck's presence in world trade. In the last quarter of 1983 it achieved a turnover of about \$60m. It was particularly interested in setting up a joint venture in Italy because "Italian exports are particularly compatible with U.S. products."

For IRI, which is participating in Sirco through its subsidiary, SPL, the venture is a chance to strengthen the presence of the group, which owns engineering concerns among many other interests, in export markets.

Cioe, which has an annual turnover of about L350bn (\$229m), is active in ship chartering and raw material importing.

The new company will be based in Genoa and have an initial capital of L6bn.

Du Pont Canada is to share low-pressure polyethylene technology and processes with Enichemica (Enichem Polimeri) of Italy.

It will provide design information and technical training for the construction and start-up of Enichem's new polyethylene plant in Sicily.

# AUTHORISED UNIT TRUSTS

Trust Name	Value	Change
Abbey Unit Tr. Mgrs. (a)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (b)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (c)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (d)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (e)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (f)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (g)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (h)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (i)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (j)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (k)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (l)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (m)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (n)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (o)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (p)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (q)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (r)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (s)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (t)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (u)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (v)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (w)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (x)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (y)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (z)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		

# FT UNIT TRUST INFORMATION SERVICE

Trust Name	Value	Change
Abbey Unit Tr. Mgrs. (a)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (b)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (c)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (d)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (e)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (f)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (g)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (h)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (i)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (j)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (k)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (l)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (m)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (n)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (o)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (p)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (q)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (r)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (s)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (t)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (u)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (v)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (w)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (x)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (y)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (z)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		

# Save & Prosper Group

Trust Name	Value	Change
Abbey Unit Tr. Mgrs. (a)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (b)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (c)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (d)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (e)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (f)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (g)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (h)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (i)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (j)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (k)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (l)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (m)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (n)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (o)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (p)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (q)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (r)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (s)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (t)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (u)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (v)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (w)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (x)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (y)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (z)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		

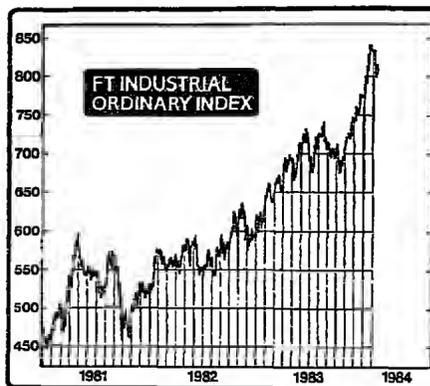
# INSURANCES

Trust Name	Value	Change
Abbey Unit Tr. Mgrs. (a)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (b)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (c)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (d)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (e)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (f)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (g)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (h)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (i)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (j)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (k)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (l)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (m)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (n)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (o)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (p)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (q)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (r)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (s)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (t)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (u)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (v)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (w)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (x)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (y)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		
Abbey Unit Tr. Mgrs. (z)	100.0	+0.1
13-15, St. Mary's Church, London, EC2A 4EJ		

Oils and Discount Houses enliven lacklustre markets
Equity index down 1.7 but up 10.8 over the week

Account Dealing Dates
Oplooo
\*First Declare Last Account
Dealings Dealing Dates

at 2 pm, the 30-share index
closed only 1.7 down at 816.2
and was still showing a rise of
10.5 on the week. Because of its
oil share weightings, the new
FTSE 100-share index ended 4.0
up at the day's best of 1,039.0.



The first leg of the current
London trading Account drifted
to a quiet close yesterday with
blue chip industrials once again
neglected in favour of the more
speculative issues. Possible bid
candidates and stocks regarded
as recovery situations claimed a
fair interest but the heaviest
traded areas were the Oil and
Financial sectors.

Neither the Government's
continued tight rein on public
spending nor the latest PSBR
and monetary aggregates made
any great impression on poten-
tial Gilt-edged investors. The
Building Societies showed little
inclination to invest after the
sizeable purchases made earlier
in the week and there was also
a lack of fresh money coming
back from roll-up funds. The outcome
was a light business, probably
the smallest volume for several
sessions, and a slight reversal of
the previous upward trend.

improved 4 aresh to 48p, while
demand in a thin market lifted
UBM 4 to 145p. Late support left
Burnett and Hallams 10
higher at 170p. Tiltroy Group
attracted a relatively brisk busi-
ness and firmed 4 to 92p.

The former provided an early
hurry of excitement with prices
responding smartly to details of
the Tiffay test report and
North Sea oil exploration pros-
pects. Demand eventually was
satisfied and interest petered out
until the late after-hours busi-
ness. Buyers then returned, in
force on rumours that Iran had
closed the Strait of Hormuz.

Discount Houses replied
strongly to the Mercantile
Houses/Alexanders agreed offer.
Closio levels were below the
best, however, with Union 20
higher at 790p, after 760p. Cater
Allen advanced 20 to 510p.

levels. Elsewhere, Turnstall Tele-
com featured with a rise of 13 to
285p following the chairman's
annual statement which can-
tained news of a contract worth
£1.6m with the Rotherham Metro-
politan Borough Council. Head-
land responded to good interim
figures with a rise of 1 to 57p.

Actual business to leading
shares was small. Wall Street's
further disappointing overnight
performance, talk that the week-
end and French caution on the
equity market's short-term
prospects, and the after effects
of the previous evening's Society
of Analysts' annual dinner, all
contributed to the lack-lustre
performance.

London Brick hardened a
penny more to 165p, equaling
the level of Hanson Trust's final
offer for the group. George
Wimpey, a leading market
recently on rumours of a large
stake changing hands, also added
a penny, to 154p, for a good
week of 14. RMC firmed 5 to
490p following a broker's lunch.

TI were again actively traded
and dipped on further profit-
taking to 236p before recovering
to close only 2 off on the day at
244p. Interest tended to slacken
among secondary issues, but
Clyde Blowers responded to
Press mention with a rise of 6
to 148p. United Wire improved 5
to 80p for a similar reason.

After registering a fall of 4.5

Having already posted a sub-
stantial rise earlier in the week,
Border Breweries (Wrexham)
advanced further following a bid
of 175p, equaling shares from
Forshaw Burtonwood to close a
net 42 better on the day and 92
up on the week at 182p. For-
shaw eased 20 to 315p.

Top-gamers Electricals rarely
strayed from previous closing

subject of considerable specu-
lative activity recently, eased 3 to
220p. Elsewhere, Grand Metro-
politan encouraged profit-taking
and shed 7 to 350p.

Datastream up again

Datastream drew further
strength from the bumper inter-
im figures and rose to 285p
before settling a net 32 up at
290p for a two-day gain of 58.
Elsewhere in the miscellaneous
Industrial sector, interest again
centred around possible bid
candidates. J. W. Spira featured
with a rise of 14 to 90p, while
Francis Industries, reflecting
hopes of an offer from Suter
Electrical, advanced 5 to 97p.

Gold lower

South African Golds suc-
cumbed to profit-taking after two
days of strong gains. Reluctance
by the precious metal markets to
respond to the recent weakness
of the dollar-nervous Johannes-
burg and London operators and
prompted widespread losses
throughout Golds during the
morning.

Shippings were highlighted by
a fresh burst of support for
P & O Deferred, which firmed 80p
to 277p, the Monopolies Com-
mission report regarding the
offer from Trafalgar House is
expected shortly. Elsewhere,
Ocean Transport improved 4 to
115p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Index No., Day's Change, etc. Lists various sectors like CAPITAL GOODS, ELECTRONICS, etc.

RISES AND FALLS

Table showing Yesterday's and On the week's rises and falls for various categories like British Funds, Corporate, etc.

ACTIVE STOCKS

Table showing Active Stocks with columns for Stock, Closing price, Day's change, etc.

THURSDAY'S ACTIVE STOCKS

Table showing Thursday's Active Stocks with columns for Stock, No. of Thurs. changes, etc.

5-DAY ACTIVE STOCKS

Table showing 5-Day Active Stocks with columns for Stock, Last Change, etc.

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for Feb 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows S.E. Activity for 1983/84, with columns for High, Low, etc.

LEADERS AND LAGGARDS

Table showing Leaders and Laggards with columns for Sector, Percentage change, etc.

OPTIONS

Table showing Options with columns for Deal, Last, Declared, etc.

NEW HIGHS AND LOWS FOR 1983/84

Table showing New Highs and Lows for 1983/84, with columns for Sector, High, Low, etc.

RECENT ISSUES

Table showing Recent Issues with columns for Issue, Price, etc.

FIXED INTEREST STOCKS

Table showing Fixed Interest Stocks with columns for Issue, Price, etc.

"RIGHTS" OFFERS

Table showing Rights Offers with columns for Issue, Price, etc.

Handwritten signature or mark at the bottom of the page.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table containing financial data for various insurance and overseas managed funds, including company names, fund names, and numerical values.

NOTES
Prices are in pence unless otherwise indicated and those designated 'S' have no prefix refer to U.S. dollars. Yields are shown in column after for all units unless otherwise stated. Yields are calculated on the basis of a 365 day year. Yields are based on the previous month's closing price. Yields are based on the previous month's closing price. Yields are based on the previous month's closing price.





MINES—continued

Table of stock prices for various mining companies, including sections for Australians, Tins, and Miscellaneous.

NOTES

Notes section containing financial information and company announcements, including details about dividends and share issues.

REGIONAL AND IRISH STOCKS

Table listing regional and Irish stocks with their respective prices and market movements.

OPTIONS

Table listing various options contracts, including 3-month call rates and other derivatives.

Central African

Table listing Central African stocks and their market performance.

Large table on the left side of the page containing various stock prices and market data, including sections for Insurance and Leisure.

Table titled 'MOTORS, AIRCRAFT TRADES' listing prices for various motor vehicles and aircraft.

Table titled 'Commercial Vehicles' listing prices for different types of commercial transport vehicles.

Table titled 'Components' listing prices for various mechanical and electrical components.

Table titled 'Garages and Distributors' listing prices for services and parts provided by these entities.

Table titled 'NEWSPAPERS, PUBLISHERS' listing prices for various newspapers and publishing services.

Table titled 'PAPER, PRINTING, ADVERTISING' listing prices for paper products, printing services, and advertising.

Table titled 'PROPERTY' listing prices for real estate and other property-related items.

Table titled 'INSURANCE' listing prices for various insurance policies.

Table titled 'LEISURE' listing prices for leisure-related products and services.

Table titled 'SHIPPING' listing prices for shipping services and related commodities.

Table titled 'SHOES AND LEATHER' listing prices for footwear and leather goods.

Table titled 'SOUTH AFRICANS' listing prices for stocks from South Africa.

Table titled 'TEXTILES' listing prices for various textile products.

Table titled 'TOBACCO' listing prices for tobacco products.

Table titled 'TRUSTS, FINANCE, LAND' listing prices for trusts, financial services, and land.

Table titled 'Finance, Land, etc.' listing prices for financial services, land, and other miscellaneous items.

Table titled 'OIL AND GAS' listing prices for oil and gas products.

Table titled 'Diamond and Platinum' listing prices for diamonds and platinum.

Table titled 'Central African' listing prices for Central African stocks.

Table titled 'Diamond and Platinum' listing prices for diamonds and platinum.

Table titled 'Central African' listing prices for Central African stocks.

Table titled 'Diamond and Platinum' listing prices for diamonds and platinum.

Table titled 'Central African' listing prices for Central African stocks.

Table titled 'Diamond and Platinum' listing prices for diamonds and platinum.

Table titled 'Central African' listing prices for Central African stocks.

MAN IN THE NEWS

Last of the great survivors

BY ANTHONY ROBINSON

ANDREI Andreyevich Gromyko at 74 has been around world diplomacy for longer than most people can remember.



Andrei Gromyko

In 1943, Stalin sent such a young man to underline his displeasure at Roosevelt's failure to open up the second front.

Inmos board rejects AT & T bid

BY GUY DE JONQUIERES

THE BOARD of Inmos, Britain's state-backed microchip manufacturer, has rejected the takeover bid made two weeks ago by American Telephone & Telegraph, the largest U.S. telecommunications company.

AT & T's £45m offer for most of the 75 per cent of Inmos owned by the British Technology Group was considered far too low by both the Government and the company, which confidently expects to achieve its first full-year profit this year.

Inmos' internal forecasts point to a pre-tax profit of at least £7.5m on a turnover of nearly £100m, almost three times last year's sales of £37m, on which it lost £14m.

Mr Kenneth Baker, Minister for Information Technology,

toiled the Commons yesterday that the Inmos board was studying several other approaches and was expected to make recommendations shortly.

But although several companies, including Britain's General Electric Company, have examined Inmos, AT & T is believed to be the only one to have made a firm bid so far.

AT & T, one of the world's largest microchip manufacturers, with estimated production of £450m (£310m) last year, has made clear, however, that its prime interest lies in estab-

lishing a base in Europe, not in continuing Inmos' long-term strategy.

The management of Inmos, whose founders own 13 per cent of its equity, is in no hurry to give up its independence. It is seeking to raise up to £20m through a private placement with City institutions to finance further expansion this year.

Mr Baker said: I have every hope that further money needed by Inmos for genuine development will become available.

Industrial base urged, Page 3; Prodigy at an awkward age, Page 14

Union chiefs accept Revenue computer deal

BY DAVID BRINOLE, LABOUR STAFF

UNION leaders have approved a four-year new technology agreement with the Inland Revenue which promises to break new ground in flexible working arrangements.

The 58,000 members of the Inland Revenue Staff Federation will be recommended to accept the deal at workplace meetings next week.

An essential element of the agreement—the first of its kind in the Civil Service—is a joint union-management experiment on 'self-determination' in working arrangements. Staff in 14 West Midlands tax offices will be able to use the flexibility presented by computer systems to construct their own working patterns.

Yesterday the union described the proposal as a very important breakthrough. If successful, IRSF leaders believe it could be extended throughout the Civil Service.

In a second significant element of the agreement, the Revenue has undertaken to do its utmost to avoid compulsory redundancies.

The IRSF had been insisting on a no-redundancy guarantee on new technology. It points to the proposed saving of 4,000 jobs by computerisation of the PAY As You Earn system and the overall target of 7,000 fewer posts in the Revenue by 1988.

However, Mr Tony Christopher, general secretary of the union, will tell members he be-

lieves that if the agreement is signed, Mr Nigel Lawson, the Chancellor, will give further assurances.

The IRSF membership is unlikely to reject the agreement, although it offers no concessions on pay or re-grading in return for operation of new technology. The union executive voted 23 to 3 to accept.

The union leaders still dissatisfied believe it will be possible in the future to claim re-grading benefits for clerical assistants, who are most affected by computerisation of PAYE.

It was the introduction in January of a pilot scheme of the PAYE system in 14 West Midlands offices that led to negotiations on the agreement. A total

of 438 union members refused to work the system and were suspended.

In a High Court case without legal precedent, eight of the suspended members sought injunctions against the Revenue. They failed, but talks with the union were opened. These ended this week with a one and a half day session of the IRSF executive.

The union is distributing 30,000 copies of the new technology agreement to its members. The Revenue is allowing them to read the document and hold meetings during working time. Voting must be completed by Thursday and the suspended West Midlands members will vote on Friday after returning to normal duties.

Background, Page 4

Airbus launch aid package for BAe nears completion

BY PETER RIDDELL, POLITICAL EDITOR

AN AID PACKAGE involving the Government and the City to support British Aerospace's involvement in the 150-seat A-320 European Airbus project is nearing completion. The hope in Whitehall is that an announcement to Parliament will be possible by the end of this month, probably next week.

The broad outlines of the arrangement may indicate that the Government will provide considerably less than the £47m launch aid sought by BAe. Such aid would, however, be concentrated in the early years of the project's life, when the company's overall financial resources will be subject to the greatest pressure.

Morgan Grenfell, the merchant bank, has been appointed by the Government to advise on the private sector contribution to financing the A-320.

The cost of British participation appears to have been revised downwards, following agreement in Whitehall that the annual rate of inflation assumed in the estimates should be reduced from 8 per cent to 5 per cent.

Consequently, the Government offer is expected to be regarded as sufficiently satisfactory by BAe to permit it to participate in work on the new aircraft. The Government, for its part, will be able to argue that it is supporting a commercially viable venture.

Vigorous bargaining has

taken place over the project. Ministers—and in particular Mrs Thatcher—have wanted to satisfy themselves that the Government is not entering into a Concorde-style open-ended commitment.

At an earlier stage both the Prime Minister and the Treasury were highly sceptical about providing any launch aid. They have been persuaded by the Department of Trade and Industry to agree to talks on limited support.

A meeting of ministers, chaired by Mrs Thatcher early last week, approved continuing discussions on this basis between the department and BAe in an effort to produce a package acceptable to ministers

The hope is that discussions will be completed shortly so that the matter can be considered by the economic strategy committee of the Cabinet. However, no decision has been taken in principle because BAe has not been in a position to finalise its offer until the talks with the department have been completed.

The indications are that there will be a loan package—possibly in a special company set up to deal with the project, since an expansion of BAe's equity base through a rights issue seems to have been ruled out. The Government is, however, reluctant to guarantee any external borrowings by the company.

Continued from Page 1

Iran claims 1,100 dead

stretch of the main road leading south to the town of Tih. Iraq gave few details on the course of the fighting but said Iranian aircraft had struck the town of Ali al-Gharbi yesterday, near the main battle area.

Baghdad Radio claimed that 14 civilians were killed and 12 wounded in the raid.

President Hussein said yesterday in messages to Mrs Indira Gandhi, the Indian Prime Minister, and President Ahmed Sekou Touré of Guinea that Iraq was ready for peace talks with Iran.

Any appeals for a ceasefire, however, should be addressed to Iran, as it had rejected all previous mediation efforts.

Richard Johns writes: Rumours that the Strait of Hormuz had been closed prompted heavy speculative

buying of oil shares on the London Stock Exchange, with prices 2 per cent to 3 per cent higher on average.

British Petroleum was up 13p on the day's trading at 435p and Shell was up 11p at 635p, having touched 435p at one point.

Britoil rose 16p to 248p and Ultramar 20p to 685p. Prices of shares in the shipping sector also rose.

The oil market, however, remained unaffected by escalation of the Gulf conflict. The buyers' rate for Iranian Light was reported by traders to be \$27.60 to 27.70 a barrel, down about 15 cents on the level reported on Thursday.

North Sea and African crudes were up slightly. Meanwhile, charter rates for Gulf-bound tankers and war-risk premiums were unaffected.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

WORLDWIDE WEATHER

Table with columns for location, day, and weather conditions.

Continued from Page 1

Changes gather pace in financial markets

The link with the bank would "give us big muscle and a name worldwide."

NatWest is expected to take a 29.9 per cent stake in the jobbing firm, the maximum permitted under Stock Exchange rules. If the Stock Exchange ruling council gives approval.

The Bank of England has been kept informed and is understood to be in favour of the proposed deal.

Because the deal may still be subject to amendment after a review by the Stock Exchange Council neither side would reveal the details or the price.

In its last financial year ending May 6, 1983, Bisgood, Bishop reported net pre-tax profits of £3.46m compared with £767,196 a year earlier. Its major shareholders include British and Commonwealth Shipping, Williams and Clyn's Bank, Legal and General Assurance, and London Trust.

The jobbing firm has become the leading market maker in the Stock Exchange's unlisted securities market.

NatWest said: "A close liaison with a jobbing concern will bring added expertise to the group and will also put the strength of the bank behind the further area of traditional City expertise."

Earlier Mercantile House announced its long expected deal with a City financial interest.

The financial services group, with a major U.S. stockbroking arm and a large UK money broking business, is acquiring Alexanders Discount, one of the top market makers in short term monetary instruments in the City.

Mr John Barkshire, Mercantile's chairman, is seeking to buy a stake in a UK stockbroking firm in the next few months in the wake of its agreed bid for Alexanders. A deal is not imminent although Mercantile has been talking to a wide range of stockbrokers.

The group said yesterday it was not interested in taking a stake in a stockbrokers.

Mercantile is offering Alexanders shareholders 17 of its shares for every 12 shares they hold in the discount house. It is

also offering a cash alternative of £63.75p.

On the London Stock Exchange yesterday shares of Mercantile were unchanged at 407p. Alexanders shares rose 107p to 560p.

Alexander's discount market operations will remain a separate entity within the enlarged Mercantile House group.

The Bank of England confirmed it had no objection to the deal. But it has insisted on assurances that both the operations and capital structure of the discounting activities will remain independent.

Mr Barkshire said his move represented the first step towards becoming a "major player" in the London securities market. He plans that the London side of the business will eventually mirror Mercantile's U.S. securities operation at Oppenheimer and Co, which it acquired in 1982.

Mr Jeremy Hardie, deputy chairman of Alexanders, said the takeover provided it with opportunities for diversification into the securities market generally and for expansion into international markets.

Alexanders hopes to extend its expertise into gilt-edged market-making and into Euro-bond trading.

Mercantile House was widely suggested to be a potential partner for Gerrard and National, the UK's largest discount house. Mr Barkshire confirmed that he had talked to Gerrard along with several other discount houses, but he said his group had not made an offer.

Three of the five leading jobbing firms in London have now formed links: Smith Bros with N Rothschild, Akroyd and Smithers with S. G. Warburg, and now Bisgood, Bishop with NatWest.

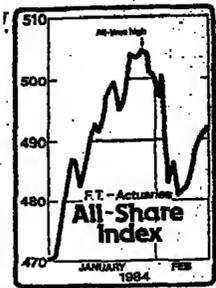
Morgan Grenfell, the merchant bank, has held talks with Wed, Durlacher, Mordaunt, the largest stockjobber, but so far the talks have not concluded in a deal. Pinchin, Denny, the other leading jobber, is also believed to have received approaches from outside financial groups.

THE LEX COLUMN

Reading banns in the City

Independent market-makers moved on to the City's endangered species list yesterday another 29.9 per cent. Lasso appeared to have found its mark at Bisgood, Bishop, champion jobber of the Unlisted Securities Market. It came as something of a surprise to find National Westminster grinning at the other end of the rope; but the logic of the clearer's move shone forth by contrast with the array of ifs, buts and maybes surrounding Mercantile House's brave purchase of Alexanders Discount.

Index fell 1.7 to 816.2



The new look City of the future offers far more incentive to the clearers to develop their own retail stockbroking services. It is surely with this in mind that NatWest has taken the chance while it still can to add a jobbing arm, for a down payment equivalent to the cost of an hour or two's delay on the bank's next big loan repayment from Latin America. This could still value Bisgood at a 20-25 per cent premium to its reported shareholders' equity of £4.3m, acceptable to the firm's private institutional shareholders as well as its directors.

Of all the possible futures paraded before Bisgood, linkage with the potentially enormous odd lot business generated by a clearer's retail network would surely be hard to beat. Its heavy involvement with the USM has already given Bisgood a taste for private client business. Elsewhere, Bisgood might be expected to expand into the gilt-edged market, if only to mesh with its partner's regular forays into the market as a customer.

With only two of the five main jobbers now living in the wild—and one of those, Wedd Durlacher, well and truly surrounded—Mercantile House has turned to the discount houses and paid what looks like a sizable premium to be sure of success. Its share offer of 407p at last night's close values Alexanders at £28.8m, a premium of 26 per cent over the house's fully disclosed net asset value if account is taken of a 22p gross dividend still available to Alexanders' shareholders.

Whether the prize will eventually provide Mercantile with the basis of a market-making operation as planned must be open to doubt for some time yet. For the moment, the aspiring multi-services group has bought itself a discount house pure and not so simple—a highly volatile business which has enjoyed a couple of very good years but cannot claim a particularly distinguished

record, even by the lights of its own sector.

Both Mercantile and NatWest are buying themselves only an entry ticket to these new markets. Mercantile will want to effect a transition for Alexanders from its present dealer status to that of a more fully-fledged market maker in both equities and fixed interest.

NatWest, meanwhile, probably needed to buy a stockbroker unless, that is, yesterday's acquisition is merely designed to bolt a jobbing activity on to its existing money centre services. The complication for Mercantile is that the successful realisation of Alexander's potential will require not only a sensitive blending of different market cultures, but also a fundamental change of attitude towards the discount houses by the Bank of England.

Avana

Avana's offer document for Bassett is an externally colourful affair. There stands Robertson's Golly, holding a decrepit Bertie Bassett in a pose which, though looking like a judo lock, is presumably meant to be supportive.

The contents are more drab. Talk of extending Bassett's product range relates either to minor areas, such as fruit or cereal-based confectionery, or to Bassett's growing chocolate range, which seems to be doing rather well on its own. And when it comes to exporting confectionery, it is unclear how Avana can help a company which is already among the best in the business. The one area where Avana could really help

—the capital expenditure programme—is not discussed. To an extent, Avana seems to be resting on its laurels, and trusting to its own reputation to see it through. But there is, of course, another matter—what Bassett can do for Avana. OP Chocolats, which Avana recently picked up from Huntley and Palmer, could use rather more business. Bassett could oblige, and could be put at Avana's service in its CTF sales network.

Avana could still have a tussle on its hands. Almost half of Bassett's shareholders are private investors, who may well relish the drop in income of around one-third which the bid would appear to entail. Moreover, Avana has repeated its Robertson ruse of selling all its shares in the market. And the Stock Exchange is investigating the events of January 24, when Bassett shares jumped 10 per cent just before the bid was announced.

Markets

The last thing the equity market wanted yesterday afternoon, after the grueling exertions of the previous night's Society of Investment Analysts dinner was a sudden scare. Yet, as luck would have it, one duly arrived. Rumours that Iran had forced the closure of the Straits of Hormuz sent oil share prices scurrying higher. The spot oil market, by contrast, responded with barely a murmur.

Yesterday's flurry in oils and financial shares was hardly characteristic of a week which saw the market slowly regaining the damage inflicted earlier in the month by Wall Street.

An array of U.S. economic indicators, culminating yesterday with an upward revision of the fourth quarter GNP figure, has heightened the fear that the Fed may move to rein back the pace of economic expansion.

Last week, however, London managed largely to regain its independence of events across the Atlantic and may even have benefited from the gradual switching of portfolio assets out of the tumbling dollar.

Yet the threat of higher short-term rates in New York has helped to put a cap on the gilt-edged market and, for the moment at least, the equity market may struggle to break new ground without some help from that quarter. Last week's rise, certainly, owed as much to isolated speculative buying as it did to any reappraisal of fundamental prospects.

Only SAA fly South Africa with all the stops out



You can't beat SAA to South Africa. Flying the newest, biggest and best 747s, non-stop to and from Johannesburg. More flights, more non-stops—and the only non-stops home again. New 'SUPER EXECUTIVE' Gold Class with much more in it for you.

We've improved our Super Executive and glassware. So much more, and all for no service. More luxurious seating. More space extra! Of course, there's still the absolute luxury of our Blue Diamond First Class service too.

For full details please contact your Travel Agent or SAA at 251 Regent Street, London W1R 7AD. Tel: 01-734 9841. Or at Waterfoot Street, Birmingham. Tel: 021-643 9600. Peter Street, Manchester. Tel: 061-834 4436. Hope Street, Glasgow. Tel: 041-221 2932.

SOUTH AFRICAN AIRWAYS - Fifty years' flying experience

Handwritten signature or mark at the bottom of the page.